

PLB ENGINEERING BERHAD

PLB 國雲集團有限公司

(418224-X)

[annual report 2010]



• PLB-KH Bina Sdn Bhd • Gaintrend Sdn Bhd • PLB Land Sdn Bhd • PLB Green Construction Sdn Bhd • Era Pujaaan Sdn Bhd •
• PLB Alam Sdn Bhd • Landsdale Development Sdn Bhd • Pelangi Sehati Development Sdn Bhd • Diligent Success Sdn Bhd •
• Indah Mulia Development Sdn Bhd • Fattigold Sdn Bhd • QM Power Machinery Sdn Bhd • Sebad! Corporation Sdn Bhd • Excelgrand Properties Sdn Bhd •
• PLB Steel Engineering Sdn Bhd • United Empire Development Sdn Bhd • Dynabricks Sdn Bhd • Hektar Pujaaan Sdn Bhd •
• PLB Leisure Sdn Bhd • PLB Ventures Sdn Bhd • PLB Wonder Bay Development Sdn Bhd • PLB-Wonder Bay Development Sdn Bhd • Buittonlands Palm Sdn Bhd •
• Imbas Kaya Sdn Bhd • Hektar Pujaaan Sdn Bhd • Buittonlands Palm Sdn Bhd • Hektar Pujaaan Sdn Bhd • Hektar Pujaaan Sdn Bhd •

www.plb.com.my

www.plbhomes.com.my

Vision & Mission

CORPORATE VISION

To be a progressive and technology-driven global conglomerate by capitalizing on our core business, while seeking new opportunities to constantly enhance the economic value for our stakeholders.

CORPORATE MISSION

❖
Focusing on customer needs which meet their requirements and drive their success.

❖
Applying Information Technology to enhance our business efficiency and Supply Chain Management.

❖
Monitor continued improvement and upgrade our operation technologies, facilities and Human Resource capabilities.

❖
Inculcate a passion for excellence and commitment while contributing towards nation building and welfare of society.

❖
Supporting our enterprising employees through "Intrapreneurship" schemes.

❖
Identifying new ventures for growth.

Contents

01	Vision & Mission Statement
02	Contents
03	Corporate Information
04	Corporate Structure
05	Directors' Profile
08	Chairman's Statement
10	Financial Highlights
11	Audit Committee Report
15	Corporate Governance Statement
20	Corporate Social Responsibility ('CSR') Statement
21	Statement of Directors' Responsibility
22	Additional Disclosures Statements
23	Statement on Internal Control
24	Financial Statements
93	Group List of Properties
103	Shareholdings Statistics
106	Notice of Annual General Meeting
109	Appendix I
110	Notice of Dividend Entitlement
111	Notification on eDividend
113	Proxy Form

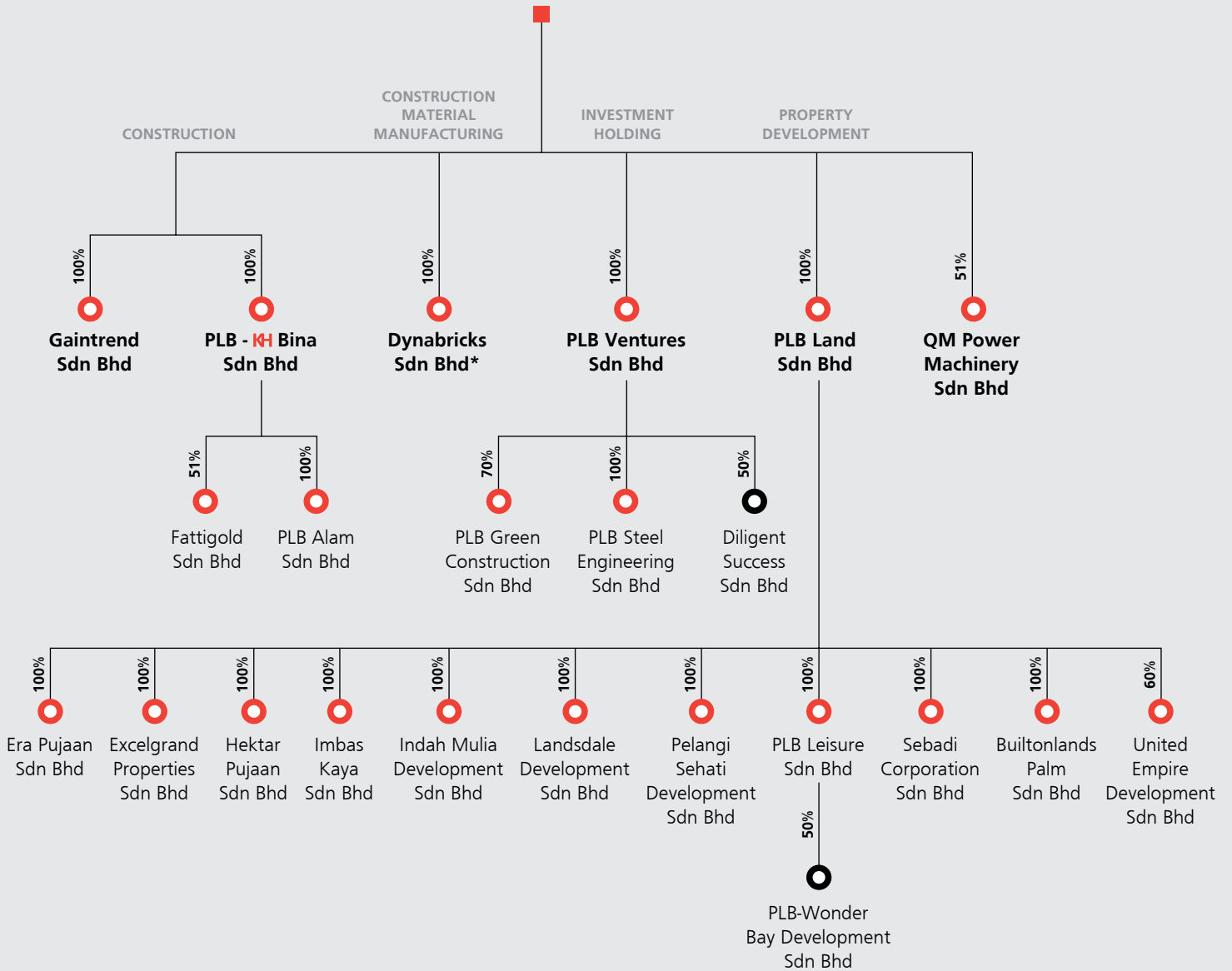
Corporate Information

Board of Directors	<p>Dato' Ong Choo Hoon (<i>Group Executive Chairman</i>) Dato' Dr. Ong Seng Soon (<i>Group Managing Director</i>) Tengku Dato' Naizatul Shima Bt Tengku Abd Murad Shah Alhaj (<i>Independent Non-Executive Director</i>) Encik Mardzukhi Bin Abu Bakar (<i>Executive Director</i>) Dato' Mohd. Shariff Bin Ibrahim (<i>Alternate Director to Encik Mardzukhi Bin Abu Bakar</i>) Madam Ong Guat Beng (<i>Executive Director</i>) Mr. Ong Seng Chye (<i>Executive Director</i>) Mr. Saw Chin Eng (<i>Independent Non-Executive Director</i>) Dato' Noordin Bin Md. Noor (<i>Independent Non-Executive Director</i>) Madam Teoh Siew Tin (<i>Independent Non-Executive Director</i>)</p>
Company Secretaries	<p>Mr. Chee Wai Hong (MIA 17181) Ms Foo Li Ling (MAICSA 7019557)</p>
Registered Office	<p>51-13-A Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel. : 04-2289700 Fax : 04-2279800 E-mail : enquiry@fastrack.com.my</p>
Auditors	<p>Messrs Grant Thornton 51-8-A Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang Tel : 04-2287828 Fax : 04-2279828</p>
Share Registrar	<p>Agriteum Share Registration Services Sdn. Bhd. 2nd Floor, Wisma Penang Garden 42 Jalan Sultan Ahmad Shah 10050 Penang Tel : 04-2282321 Fax : 04-2272391</p>
Audit Committee	<p><u>Chairman</u> Mr. Saw Chin Eng (<i>Independent Non-Executive Director</i>)</p> <p><u>Members</u> Dato' Noordin Bin Md. Noor (<i>Independent Non-Executive Director</i>) Madam Teoh Siew Tin (<i>Independent Non-Executive Director</i>)</p>
Bankers	<p>OCBC Bank (Malaysia) Berhad AmBank (M) Berhad RHB Bank Berhad Malayan Banking Berhad AmIslamic Bank Berhad EON Bank Berhad Alliance Bank Malaysia Berhad Hong Leong Bank Berhad Public Bank Berhad</p>
Solicitors	<p>Messrs Azman Davidson & Co. Messrs Ghazi & Lim Messrs Mahinder Singh Dulku & Co. Messrs Presgrave & Matthews Messrs Salina Lim Kim Chuan & Co. Messrs Ramli Amar Jit & Tan Messrs Redzuan Hashim & Co.</p>
Stock Exchange Listing	<p>Main Market of Bursa Malaysia Securities Berhad Stock Name : PLB Stock Code : 7055</p>

Corporate Structure



PLB ENGINEERING BERHAD



○ Subsidiary ● Associate Company

* Ceased operation

Directors' Profile

Dato' Ong Choo Hoon, Group Executive Chairman, aged 71, Malaysian

Dato' Ong Choo Hoon was appointed to the Board of the Company on 11 October 1997 as the Group Executive Chairman. Dato' Ong is the founder of the PLB Group with more than 47 years of experience in machinery, engineering and construction industry. After having been actively involved in machinery engineering contracts and provision of maintenance services from 1962 to 1975, Dato' Ong subsequently ventured into the construction business in 1976 and was the *raison d'être* behind a number of the Group's successful property development projects over the years. He is responsible for the overall management and strategic planning of the PLB Group.

Dato' Ong represents PLB-KH Bina Sdn Bhd ("PKH"), a wholly-owned subsidiary of the Company, as the patron of the Penang State Foundry and Engineering Industries Association. He is also a member of the Remuneration Committee of the Company and does not hold any other directorships in public companies.

Dato' Ong is the father of Dato' Dr. Ong Seng Soon, Madam Ong Guat Beng and Mr. Ong Seng Chye who are also Executive Directors of the Company. He is a director and major shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past ten years.

Dato' Dr. Ong Seng Soon, Group Managing Director, aged 45, Malaysian

Dato' Dr. Ong Seng Soon was appointed as the Group Managing Director of the Company on 11 October 1997. He holds a degree of Doctorate of Philosophy in Construction Management from Clayton University, United States of America. He joined PKH as a Site Engineer in 1989 and was responsible for the site and construction management of all major construction projects undertaken by PKH. Since his appointment to the Board of PKH and the Company, his in-depth knowledge of the construction industry has contributed significantly to the growth and the expansion of PLB Group. Dato' Dr. Ong oversees the operations management, corporate development and business development of PLB Group.

Dato' Dr. Ong is the Chairman of the Corporate Governance Committee and various working committees in the Group. He is a Major (Associate Officer) of the Department of Civil Defence Malaysia (Ministry of Internal Security), a member of the Board of Engineers of Malaysia, a graduate member of the Institute of Engineers, Malaysia, Vice President of Penang Chinese Chamber of Commerce, represents PKH as an Alternate Committee Member of Penang Master Builders & Building Materials Dealers Association and Director of Penang Han Chiang Associated Chinese Schools Association. Dato' Dr. Ong does not hold any other directorships in public companies.

Dato' Dr. Ong is the son of Dato' Ong Choo Hoon and the brother of Madam Ong Guat Beng and Mr. Ong Seng Chye. He is a director and major shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offence within the past ten years.

Tengku Dato' Naizatul Shima Bt Tengku Abd Murad Shah Alhaj, Independent Non-Executive Director, aged 44, Malaysian

Tengku Dato' Naizatul Shima was appointed to the Board of the Company on 28 October 2010 as an Independent Non-Executive Director of the Company. Tengku Dato' holds a Bachelor of Arts (Mass Communications) degree from Universiti Teknologi Mara obtained in 1991 and was also conferred with a Masters in Business Administration from the Pacific Southern University, USA in 1996.

Tengku Dato' began her corporate career in 1991 with UMW Holdings Berhad in public affairs and Perusahaan Otomobil Perodua Sdn Bhd before moving to Sony (Malaysia) Sdn Bhd in 1998 as the General Manager. Currently, Tengku Dato' is the Executive Chairman of Terang Bersih Sdn Bhd, a company which specialises in waste management disposal and had been awarded with contracts by the States of Pahang and Terengganu. Tengku Dato' is also the Chairman of Suasa Efektif (M) Sdn Bhd, the sole parking concessionaire in the state of Selangor.

Tengku Dato' Naizatul Shima is not related to any other Director and/or major shareholder of the Company. Tengku Dato' has no conflict of interest with the Company and has not been convicted of any offences within the past ten years.

Directors' Profile (Cont'd)

Encik Mardzukhi Bin Abu Bakar, Executive Director, aged 54, Malaysian

Encik Mardzukhi Bin Abu Bakar was appointed as the Executive Director of the Company on 11 October 1997 and oversees the business development of the Group. Currently, he also oversees the Safety and Security Department. He obtained a Certificate in Building Structural Draughtsmanship from MARA Institute in 1979 and subsequently received his Diploma in Business Administration from the Institute of Business Administration and Management. He is also a certified Safety and Health Officer by National Institute of Occupational Safety and Health (NIOSH). He was admitted as a fellow of The International Management Association, London ie. F.I.M.A (UK) in April 2008. He has more than 26 years of invaluable experience through his involvement in construction industry. He was appointed as a Councillor to Majlis Perbandaran Seberang Perai from 1989 to 1990. He was a Project Manager of Gurun Corporation Sdn. Bhd. from 1990 to 1992. He had attended several intensive courses and seminars on construction and safety management to keep abreast with the latest developments in the industry.

Encik Mardzukhi is a member of the Corporate Governance Committee of the Company. He does not hold any other directorships in public companies.

Encik Mardzukhi is not related to any other Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten years.

Dato' Mohd. Shariff Bin Ibrahim, aged 66, Malaysian

(Alternate Director to Encik Mardzukhi Bin Abu Bakar)

Dato' Mohd. Shariff Bin Ibrahim was appointed as the Alternate Director to Encik Mardzukhi Bin Abu Bakar, an Executive Director of the Company on 30 May 2001. Dato' Mohd. Shariff completed his high school education and has more than 23 years of experience in the area of property development. He is the Executive Chairman of PR Builders Sdn. Bhd. which is a registered "Class A" contractor with PKK and a Grade 7 contractor with CIDB. He is active in the socio-political circle where he sits in various committees.

Dato' Mohd. Shariff is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten years.

Madam Ong Guat Beng, Executive Director, aged 52, Malaysian

Madam Ong Guat Beng was appointed as an Executive Director of the Company on 11 October 1997. After completing high school in 1976, Madam Ong joined PKH to assist Dato' Ong Choo Hoon to oversee the overall operation of PKH. She has almost 31 years of working experience in purchasing, accounting and office administration. Subsequently, she oversaw the Finance, Human Resources and Administration departments before taking up the Procurement department of the Company. Madam Ong also assists the Group Executive Chairman and Group Managing Director in the overall operations and management of the Company on site management, financial management and human resources management.

Madam Ong is a member of the Corporate Governance Committee and various working committees of the Group. She is also a Chairperson of the ESOS Committee. Madam Ong does not hold any other directorships in public companies.

Madam Ong is the daughter of Dato' Ong Choo Hoon and the sister of Dato' Dr. Ong Seng Soon and Mr. Ong Seng Chye. She is a director and shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. She has no conflict of interest with the Company and has no convictions for offences within the past ten years.

Mr. Ong Seng Chye, Executive Director, aged 43, Malaysian

Mr. Ong Seng Chye was appointed as an Executive Director of the Company on 11 October 1997. He completed his high school education in 1985 and joined PKH in 1987 to assume various responsibilities for plant and machinery scheduling, security maintenance, site management, logistics and manufacturing. Currently, he oversees the Property Development operations of the PLB Group and represents the PLB Group by being actively involved in the public and social responsibilities of PLB Group. He is a member of the Board of Directors and Chartered Treasurer as well as Past President of the Lions Club of Prai. He is also the Treasurer of the Penang Chinese Chamber of Commerce Young Entrepreneur Section and represents PKH as a Committee Member and President of Penang Master Builders & Building Materials Dealers Association. Mr. Ong has attended numerous seminars to supplement his on-the-job experience.

Mr. Ong is a member of various working committees of the Group. He does not hold any other directorships in public companies.

Mr. Ong is the son of Dato' Ong Choo Hoon and the brother of Dato' Dr. Ong Seng Soon and Madam Ong Guat Beng. He is a director and shareholder of Leading Builders Sdn. Bhd., which is a major shareholder of the Company. He has no conflict of interest with the Company and has no convictions for offences within the past ten years.

Directors' Profile (Cont'd)

Mr. Saw Chin Eng, Independent Non-Executive Director, aged 53, Malaysian

Mr. Saw Chin Eng was appointed as an Independent Non-Executive Director of the Company on 30 May 2001. He obtained his Bachelor of Commerce degree from University of Otago, New Zealand in 1981. He started his career as an Audit Assistant in an accounting firm. He was later promoted to a position of an Audit Manager in charge of a wide portfolio of clients. A Chartered Accountant by profession, Mr. Saw is a member of the New Zealand Institute of Chartered Accountants and also a Chartered Accountant with the Malaysian Institute of Accountants as well as a fellow member of the Chartered Tax Institute of Malaysia and a qualified Certified Financial Planner (CFP) and registered Financial Planner (RFP). In July 2008, Mr. Saw was admitted as Fellow Certified Practising Accountant (FCPA) of CPA Australia. Currently, he is practicing under Messrs. Saw & Co., a member firm of the Malaysian Institute of Accountants.

Mr. Saw is the Chairman of the Audit Committee and Remuneration Committee and a member of Nomination Committee of the Company. Mr Saw does not hold any other directorships in public companies.

Mr. Saw is the spouse of Madam Teoh Siew Tin. He has no conflict of interest with the Company and has no convictions for offences within the past ten years.

Dato' Noordin Bin Md. Noor, Independent Non-Executive Director, aged 53, Malaysian

Dato' Noordin Bin Md. Noor was appointed as an Independent Non-Executive Director of the Company on 11 October 1997. He obtained his Diploma in Business Studies from Universiti Teknologi MARA (UiTM) in 1976. He has 23 years of experience in business, construction, service, IT, manufacturing (rubber based products, food and fisheries) and transport industry.

Dato' Noordin has been actively involved in the nation's political scene since 1976. He has held various positions in UMNO Malaysia at the Division, State and National level such as Exco Pemuda UMNO Malaysia (1993 – 2002), Timbalan Pengerusi Biro Pendidikan Pemuda UMNO Malaysia (1993 – 1996), Pengerusi Majlis Pembangunan Usahawan Pemuda UMNO Malaysia (1996 – 1998), Pengerusi Majlis Ekonomi dan Pembangunan Usahawan Pemuda UMNO Malaysia (1998 – 2002) and Ahli Jawatankuasa Pengurusan dan Pentadbiran Pergerakan Pemuda UMNO Malaysia.

Dato' Noordin is an Independent Non-Executive Director of TH Plantations Berhad.

Dato' Noordin is a member of the Audit Committee, Remuneration Committee and Chairman of the Nomination Committee of the Company and he does not hold any other directorships in public companies.

Dato' Noordin is not related to any Director and/or major shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences within the past ten years.

Madam Teoh Siew Tin, Independent Non-Executive Director, aged 53, Malaysian

Madam Teoh Siew Tin was appointed as an Independent Non-Executive Director of the Company on 30 October 2008. She received her upper secondary and tertiary education in Australia graduating with Bachelor of Economics (Accounting) degree from Monash University, Clayton Campus, Melbourne, Australia in 1979.

She began her career with international accounting firms and stayed in the industry for 4 years. Her work covers areas of audit, tax and company secretarial. Subsequently, she spent the next 18 years in a Main Board listed company in the steel industry. She started as an Accountant and moved up to General Manager level to hold the position of Group Financial Controller in the Group of Companies. Her work experience covers accounting, finance, corporate tax planning, licensing, administrative and corporate services including human resources management, corporate communications, information technology, credit control and debt recover, equity call and fund raising, mergers and takeovers and feasibilities study of projects.

She is a fellow member of the CPA Australia, Chartered Accountant with the Malaysian Institute of Accountants and a member of the Chartered Tax Institute of Malaysia. She is involved in her own consultancy business.

Madam Teoh is a member of the Audit Committee and Nomination Committee of the Company. Madam Teoh does not hold any other directorships in public companies.

Madam Teoh is the spouse of Mr. Saw Chin Eng. She has no conflict of interest with the Company and has no convictions for offences within the past ten years.

Chairman's Statement

On behalf of the Board of Directors of **PLB ENGINEERING BERHAD** ("PLB" or "the Company"), it is my pleasure to present the Annual Report and Audited Financial Statements of the Company for the financial year ended 31 August 2010:

Financial Performance

For the financial year ended 31 August 2010, the Group recorded a revenue of RM101.5 million and profit before tax of RM5.0 million compared to revenue of RM109.3 million and loss before tax of RM5.8 million respectively in the preceding year. The significant improvement of the profit before taxation for this year was due to the improve profitability from the property development sector.

The net tangible assets of the Group increased from RM95.0 million in financial year 2009 to RM98.5 million in financial year 2010.

Dividend

The Board of Directors has recommended a first and final dividend of 1.50% less income tax of 25% for financial year ended 31 August 2010 for shareholders' approval at the forthcoming Annual General Meeting.

Construction

PLB-KH Bina Sdn Bhd ("PKH"), Gaintrend Sdn Bhd ("GtSB") and PLB Green Construction Sdn Bhd ("PGC") continued to be the core revenue and profit contributors for the construction division of the Company by achieving favourable results for the current year.

PLB will continue to focus on securing contracts from existing established clients, new reputable customers and public sector including abandoned schemes to enhance the profitability of the Group in the forthcoming financial year.

Property Development

Significant contributions were also derived from the property development division of the Group for the current year. The Group's subsidiary PLB Land Sdn Bhd ("PLd") and its subsidiaries continued to receive good response for its projects i.e. a mixed development project in Bayan Lepas, Penang, which was developed by Sebadi Corporation Sdn Bhd, a wholly owned subsidiary of PLd's, consisting of double-storey terrace, three-storey terrace, double-storey semi-detached and shop-office units has successfully garnered 100% sales and was issued with Certificate of Fitness during the financial year.

A similar type of development by Excelgrand Properties Sdn Bhd, another subsidiary of PLd, at Jelutong, Penang was launched during the financial year and has so far attained 97% in sales.

New development projects in Batu Maung and Balik Pulau in Penang as well as Simpang Ampat and the Mak Mandin and Prai Industrial areas in mainland Prai, have been targeted for launching in the forthcoming year.

We are also pleased to report that all three blocks of high rise residential state privatization mixed development project known as Sri Saujana under the joint venture vehicle of PLB-Wonder Bay Development Sdn Bhd ("PWB"), an associate of PLd, have been fully sold and completed with the Certificate of Occupation issued.

Corporate Development

Employee Share Option Scheme ("ESOS")

The existing ESOS scheme with a validity period from 28 May 2002 to 27 May 2012 continues to be enforced.

A total of 131,000 ESOS has lapsed due to employee resignation during the financial year with a cumulative total of 2,401,000 unexercised ESOS at end of this financial year.

Chairman's Statement (Cont'd)

Corporate Structure

During the financial year, two subsidiaries of the Group, PLB Selasih Property Sdn Bhd and Vestingold Sdn Bhd were struck off from the register under Section 308 of the Companies Act, 1965. During the year, PKH has acquired the entire 100% equity of PLB Alam Sdn. Bhd. ("Alam") as its wholly-owned subsidiary.

Quality System

During the financial year, PKH and GtSB had successfully passed the re-certification and surveillance audits for MS ISO 9001:2000.

Another subsidiary of the Group, PLB Green Construction Sdn Bhd had successfully passed the yearly surveillance audit for ISO 9001:2000/MS ISO9001:2000 in respect of Provision Building and Related Infrastructure Construction Services (Excluding Design).

With the commitment and dedication of our management and employees who are periodically briefed on the importance of Quality Policy and Objective to further strengthen and maintain the Quality Management System, PLB is confident of the continuity of the certification.

Prospects

The Group expects the continuous positive contributions from the property development sector and also the continuous growth of the construction activities. The Group is endeavours to achieve a better performance for the next financial year ending 31 August 2011.

Appreciation

I would like to express our sincere appreciation and thanks to the members of the Board of Directors, Management and Staff for their support and contributions to the Company. On behalf of Board of Directors, I would also like to extend my appreciation to the Malaysian Government and all its ministries, agencies, departments, state government, local councils and last but not least to our valued stakeholders for their continued cooperation and support during the financial year 2010.

DATO'ONG CHOO HOON

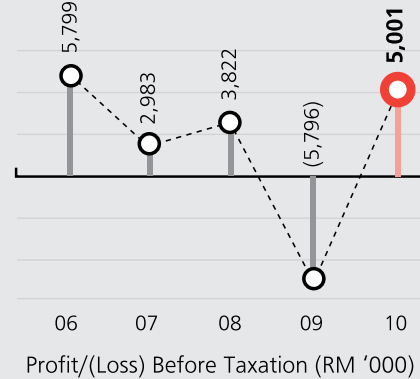
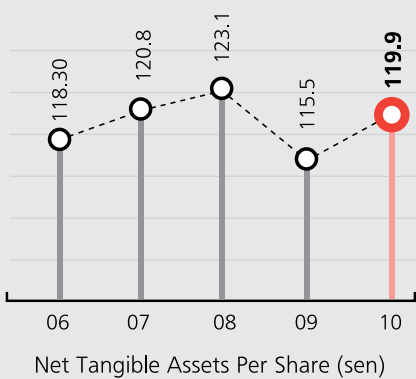
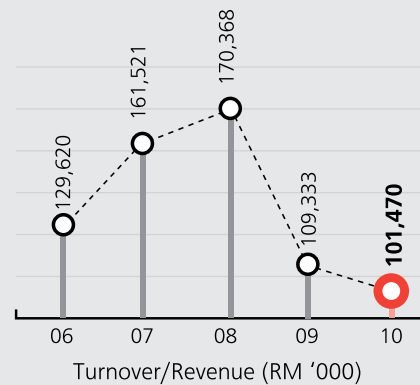
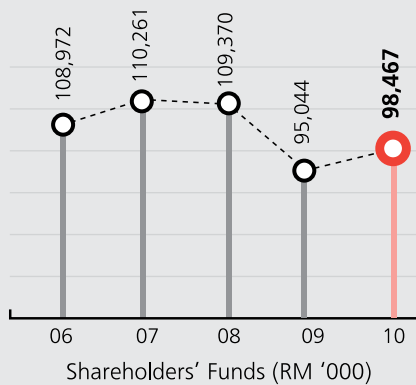
Chairman

Financial Highlights

	Audited (RM '000)				
	2006 RM	2007 RM	2008 RM	2009 RM	2010 RM
Turnover/Revenue	129,620	161,521	170,368	109,333	101,470
Profit/(Loss) Before Taxation	5,799 *	2,983	3,822	(5,796)	5,001
Profit/(Loss) For The Year @	5,098	2,289	3,281	(6,064)	4,502
Paid Up Capital	91,280	91,280	91,282	91,282	91,282
Shareholders' Funds	108,972	110,261	109,370	95,044	98,467
Earnings/(Loss) Per Share (sen)	5.59	2.51	3.63	(7.13)	5.48
Net Tangible Assets Per Share (Sen)	118.3	120.8	123.1	115.5	119.9
Total Assets	200,750	205,724	183,891	172,048	208,590
Gross Dividend (%)	1.50	1.50	1.50	1.50	1.50

* Restated

@ Profit for the year represents Profit after taxation and minority interest.



Audit Committee Report

Composition

Chairman

Mr. Saw Chin Eng
(Independent Non-Executive Director)

Members

Dato' Noordin Bin Md. Noor
(Independent Non-Executive Director)

Madam Teoh Siew Tin
(Independent Non-Executive Director)

Terms of Reference

Objectives

The principal objective of the Audit Committee ("AC") is to assist the Board of Directors in discharging its duties and responsibilities in the area of corporate governance and internal audit with particular reference to the public accountability of the Company and its subsidiaries.

Composition

The AC shall consist of at least three (3) members appointed by the Board from amongst the directors. All the members of the AC must be Non-Executive Directors, with a majority of them being independent directors. All member of the AC shall be financially literate and at least one member shall be:-

- i) A member of the Malaysian Institute of Accountants; or
- ii) If he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
- iii) Fulfils such other requirements as prescribed or approved by the Exchange.

The members of the AC shall select a chairman from amongst their members who must be an Independent Non-Executive Director. An alternate director shall not be appointed as a member of the AC.

Authority

The AC is authorised by the Board to investigate any activity within its terms of reference.

The AC is also authorised by the Board to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The AC has full and unrestricted access to any information pertaining to the Group and the resources, which are required to perform its duties.

Duties

The duties of the AC shall include the following:-

- To consider the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal;
- To discuss with the external auditor their audit plan before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
- To discuss problems and reservations arising from the interim and final audits and any matters the external auditor may wish to discuss (in the absence of management where necessary);
- To review the system of internal control, and in particular review the external auditor's management letter and management's response;

Audit Committee Report (Cont'd)

Duties (cont'd)

- To ensure that adequate assistance is given by the employees of the Company to the external auditors;
- To ensure the adequacy of the scope and resources of the internal audit functions with the necessary authority for implementation;
- To review the internal audit programme and its findings, ensure that investigation is undertaken with the appropriate remedial action based on the recommendations of the internal audit function;
- To review any appraisal or assessment of the performance of members of the internal audit function;
- To approve any appointment or termination of senior staff members of the internal audit function;
- To be informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resigning;
- To review the quarterly and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - (I) changes in or implementation of major accounting policies;
 - (II) significant and unusual events;
 - (III) the going concern assumption; and
 - (IV) compliance with accounting standards and other legal requirements;
- To review management's monitoring of compliance with the Company's Code of Corporate conduct;
- To review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements;
- To review the major findings of internal investigations and management's responses as well as any examinations by regulatory authorities;
- To review any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To review the allocation of options granted pursuant to the Employee Share Option Scheme ("ESOS"); and
- Such other responsibilities as may be agreed to or by the AC and the Board of Directors.

Retirement and Resignation

In the event of any vacancy in the AC resulting in non compliance with the minimum requisite number of member, the said vacancy must be filled within 3 months.

Review of the Audit Committee

The Board of Directors of the Company shall review the terms of office and performance of the AC and each of its members at least once every 3 years to determine whether the AC and its members have carried out their duties in accordance with their terms of reference.

Meetings

The AC shall meet at least four (4) times per financial year. Additional meetings may be held at the discretion of the AC or at the request of external auditors. The quorum of the meeting is two (2) and majority of members present must be Independent Directors.

A representative of the Company's department heads and the external auditors shall normally attend the meeting as and when required. However, at least twice a year the AC shall meet with the external auditors without the Executive Board members present.

Audit Committee Report (Cont'd)

Meetings (cont'd)

The Secretary to the AC shall be the Company Secretary or any other person appointed by the AC.

The procedures of the meeting are as follows:-

- The members may regulate their meetings as they think fit;
- Every notice convening meetings shall specify the place, the day, the hour and the agenda of the meeting and shall be given to all members at least one day before the meeting;
- Any question arising at any meeting of members shall be decided by a majority of votes and a determination by a majority of members. In the case of an equality of votes the Chairman shall not have a casting vote including but not limiting to the case where the quorum is made up of only two (2) members;
- The minutes of the meetings shall be kept at the registered office of the Company; and
- The Secretary shall circulate the minutes of meetings of the AC to all members of the AC.

Meetings held during the Financial Year Ended 31 August 2010

During the financial year, four meetings were held and the table of attendance of each committee member is as follows:-

<u>Director</u>	<u>No. of Meetings attended</u>
Mr. Saw Chin Eng	4
Dato' Noordin Bin Md. Noor	3
Madam Teoh Siew Tin	4

Summary of Activities of Audit Committee

The activities of the AC for the financial year under review includes the following:-

1. Reviewed the external auditors' scope of work and audit plans for the year under review.
2. Reviewed the audit report and observations made by the external auditors on the annual financial statements that required appropriate actions and the management's response thereon and reporting them to the Board.
3. Considered and made recommendations to the Board for approval of the audit fees payable to the external auditors as disclosed in Note 24 to the financial statements on page 79 of the Annual Report. In addition, the AC had also approved the provision of non-audit services by the external auditors. The details of fee payment for such non-audit services rendered thereof for financial year ended 2010 are disclosed in Additional Disclosure Statements on page 22 of the Annual Report.
4. Reviewed the independence and objectivity of the external auditors and the services provided.
5. Reviewed and approved the internal audit plan and reviewed the internal audit report and the recommended actions taken by the management.
6. Reviewed and recommended the audited financial statements of the Group to the Board for the Board's consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards.
7. Reviewed and recommended the quarterly unaudited financial results announcements of the Group to the Board for the Board's consideration and approval. The review was to ensure that the Group complies with the Main Market Listing Requirements, the applicable approved accounting standards as well as other relevant legal and regulatory requirements. The review and discussion were conducted with the Executive Director and the Senior Finance Manager of the Company.
8. Reviewed the year-end financial results, statements and announcements before recommending them for the Board's approval. The review and discussion were conducted with the Head of Finance & Accounts Division of the Company.
9. Reviewed any related party transactions and conflict of interest situation that may arise/entered within the Company or Group.
10. Reviewed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance ("the Code") for the purpose of preparing the Corporate Governance Statement and Statement of Internal Control pursuant to the Main Market Listing Requirements. Additionally, the AC also recommended to the Board action plans to address the identified gaps between the Group's existing corporate governance practices and the prescribed corporate governance principles and best practices under the Code.
11. To discuss problems and reservations arising from the Group's interim and final audits, and any matter the auditors may wish to discuss (in the absence of the Management where necessary).

Audit Committee Report (Cont'd)

Internal Audit Function

The Internal Audit Department assists the AC in discharging its duties and responsibilities.

Summary of Activities of the Internal Audit Department ("IAD")

The Internal Audit Department assists the AC in discharging its duties and responsibilities. Its role is to undertake independent, regular and systematic reviews of the systems of internal controls, so as to provide reasonable assurance that such systems continue to operate satisfactorily, effectively and in compliance with the Group's established policies and procedures. The Internal Audit Department adopts a risk-based audit approach when preparing its annual audit plan which is approved by the AC.

During the financial year, the IAD conducted various audit assignments on the operations, management and financial systems of the Group as well as compliance audits in accordance with the approved annual audit plan. The results of the internal audit reviews and the recommendations for improvement are presented to the AC for deliberation. The Internal Audit Department also conducted follow-up audit reviews to monitor and ensure that audit recommendations for improvement have been effectively implemented by Management.

The internal audit costs incurred during the financial year were RM76,656.55.

Statement by the Audit Committee in Relation to ESOS Allocation

Pursuant to Paragraph 8.17 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements (the "Listing Requirements"), the AC confirmed that there was no allocation of ESOS during the financial year.

Corporate Governance Statement

The Board of Directors (“Board”) of PLB Engineering Berhad (“PLB” or the “Company”) adopts the principles and best practices of corporate governance in conducting the business and affairs of the Company and the Group. The Board remains fully resolved and committed in employing the principles of integrity, transparency and professionalism to ensure the Company and the Group’s continued progress and success as these would not only safeguard and enhance shareholders’ investment and value but at the same time protect the interests of all stakeholders.

In line with the Main Market Listing Requirements, the Board is pleased to report to the shareholders in particular and other stakeholders in general on the manner PLB and the Group have maintained the standard of corporate governance by supporting and implementing the prescribed principles and best practices as set out in the Malaysian Code on Corporate Governance (Revised 2007) (“the Code”) and the Main Market Listing Requirements.

SECTION 1: DIRECTORS

Board responsibilities

The Board is led and managed by experienced Board members with a wide range of expertise. It is collectively responsible for promoting the success of the Company and the Group by directing and supervising its business and affairs. The Board’s principal responsibilities are as prescribed under the best practices of the Code. These include: charting and reviewing the strategic direction for the Company and the Group; overseeing its business operations thereof; evaluating whether these are being properly managed; and providing leadership to enable the achievement of the Group’s business objectives.

The Board has a formal schedule of matters reserved to itself for decisions, including the overall Group strategy and direction, acquisition policy, approval of major capital expenditure projects and significant financial matters.

The Board practices a clear division of responsibilities between the Chairman, Managing Director, Executive Directors and Non-Executive Directors. The Chairman and the Executive Directors are primarily responsible for the orderly conduct and function of the Board, the day to day running of the Group’s business, implementation of the Board’s policies and the overall operational and management decisions.

On the other hand, the Non-Executive Directors ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long term interest of the stakeholders including contributing to the formulation of policy and other decision-making process through their expertise and experience. As they are independent of the Management, it is ensured that no single individual or group dominates the Board’s decision-making process.

Board Meetings

The board meetings are fixed in advance at the end of the preceding financial year to enable the Directors to plan ahead and incorporate the year’s meetings into their own schedules. Board meetings are held every quarter and additional meetings are held as and when necessary.

During the financial year, the Board met four (4) times. Meeting agendas included review of quarterly financial results and announcements, business reviews, macro strategies and acquisitions of capital assets by the Group. Details of each existing directors’ meeting attendances are as follows:-

<u>Name of Director</u>	<u>No of meetings attended</u>
Dato’ Ong Choo Hoon	3
Dato’ Dr. Ong Seng Soon	4
Tengku Dato’ Naizatul Shima (appointed on 21.10.2010)	0
Madam Ong Guat Beng	4
Mr. Ong Seng Chye	4
En. Mardzukhi Bin Abu Bakar	4
Mr. Saw Chin Eng	4
Dato’ Noordin Bin Md. Noor	3
Madam Teoh Siew Tin	4

To ensure effective conduct of board meetings, a structured formal agenda and board meeting papers relating to the agenda are circulated to all Directors prior to each board meeting. Senior management are invited to attend board meetings to furnish details or clarifications on matters tabled for the Board’s consideration.

The Board has also delegated certain responsibilities to the Audit Committee, which operates within a clear defined terms of reference.

Corporate Governance Statement (Cont'd)

Board Balance

The Board comprises of nine (9) members of which five (5) are Executive Directors while the remaining Four (4) are Independent Non-Executive Directors. Each member brings with them a diversity in experience, expertise and perspective of the Group's business operations.

With Dato' Ong Choo Hoon as the Group Executive Chairman and Dato' Dr Ong Seng Soon as the Group Managing Director, there is clear division of responsibilities between these roles to ensure a balance of power and authority. Furthermore, the complementary role of non-executive directors ensure an effective Board with a mix of industry-specific knowledge, technical, and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgment into various aspects of the Company's strategies and performance.

Supply of Information

The Board has full and unimpeded access to information relating to the Group in discharge of their duties. Senior Management Officers are invited to attend the Board meetings to update the Directors on their respective functions and operations and also to clarify issues that may be raised by the Directors.

The Chairman of the Audit Committee would report to the Board at Board meetings on pertinent issues that have been raised at Audit Committee meetings, and he would highlight to the Directors the vital areas as may be expressed by the Audit Committee.

The agenda and Board meeting papers are circulated to the Directors for their perusal the business reports and appraise the issues to be deliberated at the Board meeting well before the date of the meeting.

Board reports and minutes of the every Board meeting are sent to the Directors prior to the meeting to allow them to fully digest the contents of the reports to be discussed. The Directors are provided with ample opportunities to make enquiries, obtain information and explanation on any issue at any time within the Group whether as a full Board or in their individual capacity in furtherance of their duties.

All Directors have direct access to the advice of the Company Secretaries whether as a full board or in their individual capacities. The Board also avails itself to independent professional advice in the course of fulfilling its responsibilities and if so required, at the expense of the Company.

Board Committees

(i) The Audit Committee

The Audit Committee comprising wholly Independent Non-Executive Directors, is responsible for reviewing and monitoring the work of the Group's internal audit functions as well as ensuring that an objective professional relationship is maintained with the external auditors. Further details of the Audit Committee are contained in the Audit Committee's Report in this Annual Report.

(ii) The Nomination Committee

The Nomination Committee comprises entirely Independent Non-Executive Directors. The Committee is authorized to identify and recommend the appointment of new directors to the Board. The Nomination Committee has established a formal and transparent procedure for appointment of new directors.

The Nomination Committee continues to meet on a yearly basis to review the performance of the Directors seeking re-election at the forthcoming AGM. Currently, Dato' Noordin Bin Md. Noor, Mr. Saw Chin Eng and Madam Teoh Siew Tin are the members of the Committee.

(iii) The Remuneration Committee

The Remuneration Committee comprising mainly non-executive directors and is responsible to recommend the remuneration packages for the Executive Directors of the Company to the Board on a yearly basis. The Board determines the remuneration of Non-Executive Directors who abstains from deliberations and decisions made in respect of their individual remuneration. Currently, the members include Dato' Ong Choo Hoon, Mr. Saw Chin Eng and Dato' Noordin Bin Md. Noor.

Corporate Governance Statement (Cont'd)

Re-appointment of Directors to the Board

Pursuant to Section 129 (2) of the Companies Act, 1965, Directors who are over the age of 70 years shall retire at every Annual General Meeting ("AGM") and may offer themselves for re-appointment to hold office until the next AGM. The Articles of Association of the Company also provide that at every AGM, at least one-third of all Directors for the time being and those appointed during the financial year shall retire from office but shall be eligible for re-election in line with the Main Market Listing Requirements. The Articles of Association further provide that all Directors are subject to retirement by rotation once every 3 years but shall be eligible for re-election.

Training and Development of Directors

During the financial year, all Directors of the Company have attended relevant conferences, seminars and briefings in areas of leadership, corporate governance, finance and competitive strategies by the Regulatory Authorities and members of professional bodies, in order to broaden their knowledge and perspectives and to keep abreast with developments in the market place and with new statutory and regulatory requirements to better enable them to fulfill their responsibilities.

The Company also conducted the following in-house training programmes for the Directors and senior management of the Company facilitated by industry experts:-

- ISO 9001:2008 Transition Training
- Financial Reporting Standard
- Budget 2010 Briefing
- Tender Secured-What should we do now?
- KaizenHR Upgrade Briefing (Version 3.7 to 3.8)

SECTION 2: DIRECTORS' REMUNERATION

Remuneration Policy and Procedures

The details of the Directors' remuneration comprising of received and/or receivable for the financial year ended 31 August 2010 are as follows:-

<u>Particulars</u>	<u>Executive Directors</u>	<u>Non-Executive Directors</u>	<u>Total</u>
Fees (RM)	-	60,000	60,000
Salaries (RM)	1,164,000	-	1,164,000
Allowances (RM)	77,700	5,500	83,200
EPF (RM)	118,800	-	118,800
Benefit in kind (RM)	107,596	-	107,596
Total (RM)	1,468,096	65,500	1,533,596

The remuneration of the Directors summarised in bands of RM50,000 for the financial year ended 31 August 2010 are as follows:-

<u>Range of Remuneration</u>	<u>Number of Directors</u>	
	<u>Executive</u>	<u>Non-Executive</u>
Below RM50,000	-	3
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	1	-
RM200,001 to RM250,000	1	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	1	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	1	-

Corporate Governance Statement (Cont'd)

SECTION 3 : SHAREHOLDERS & INVESTOR

Dialogue between the Group and Investors

The Board adheres to the disclosure requirements of Bursa Securities and ensures timely release of the financial results on a quarterly basis in order to provide its shareholders with an overview of the Group's financial and operational performance. In addition, it communicates with its shareholders, institutional and potential investors through various announcements made during the year.

Dato' Noordin Bin Md. Noor has been identified as the Independent Non-Executive Director, with the assistance of the Company's Corporate Department personnel, to whom any concerns of shareholders, management or other matters concerning the Group may be conveyed vide:-

Address : Dato' Noordin Bin Md. Noor
PLB Engineering Berhad
No. 1320, Jalan Baru,
Taman Chai Leng
13700 Prai, Penang

Email : info@plbgroup.com.my

AGM

The AGM is the principal forum of dialogue with shareholders. Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least twenty one (21) days prior to the meeting. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution.

At the AGM, the Board presents the progress and performance of the Group as contained in the Annual Report and shareholders are encouraged to participate and are given every opportunity to raise questions or seek more information during the meeting. The Group Executive Chairman, the Group Managing Director and Board members are available to respond to all shareholders' queries. Apart from the AGM and Annual Report, the financial highlights are disseminated on a quarterly basis to Bursa Securities. Other public information and significant items affecting the Group are reported through the Bursa Securities from time to time via announcements.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also leave written questions for the Board to respond. The Shares Registrars is available to attend to matters relating to shareholders' interests.

Annual Report

The Directors believe that an important channel to reach shareholders and investors is through the Annual Report. Besides including comprehensive financial performance and information on the business activities, the Group strives to improve the contents of the Annual Report in line with the developments in corporate governance practices.

The Company's Annual Report can be accessed at the Company's website at www.plb.com.my. Bursa Securities also provides for the Company to electronically publish all its announcements, including full version of its quarterly results announcements and Annual Report at its website.

SECTION 4 : ACCOUNTABILITY AND AUDIT

Financial Reporting

It is the Board's commitment to provide a balanced, clear and meaningful assessment of the financial position and prospects of the Group in all the disclosures made to shareholders, investors and the regulatory authorities.

Corporate Governance Statement (Cont'd)

Financial Reporting (cont'd)

The announcements on quarterly financial results and the press releases accompanying these results announcements reflect the Board's persistent commitment in providing timely, transparent and up-to-date disclosure of the Group's overall performance.

The Board is assisted by the Audit Committee ("AC") to oversee the Group's financial reporting process and the quality of the same. The AC reviews and monitors the integrity of the Group's interim and annual financial statements. It also reviews the Group's accounting policies and the changes to as well as the implementation of these policies.

The Directors are responsible to ensure that the Group's audited financial statements comply with the Companies Act, 1965, the Financial Reporting Standards and the Main Market Listing Requirements. The statement by the Directors pursuant to Section 169(15) of the Companies Act, 1965 in relation to the preparation of the financial statements are set out on page 21 of the Annual Report.

Related Party Transactions

The AC reviews and monitors all related party transactions on a quarterly basis and reports for action by the Board where necessary.

Internal Control

The Board has overall responsibility for maintaining a sound system of internal controls that provides reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal procedures and guidelines.

The effectiveness of the system of internal controls of the Company and the Group is reviewed by the AC during its quarterly meetings. The review covers the financial, operational and compliance controls as well as risk management functions.

The Statement on Internal Control, which provides an overview of the state of the internal control within the Company and the Group, is set out on page 23 of the Annual Report.

Relationship with External Auditors

The Group has established transparent and appropriate relationship with the external auditors through the AC of the Company. From time to time, the external auditors will highlight matters that require further attention of the AC and the Board of Directors.

It is the AC's policy to meet with the external auditors at least twice annually or whenever deemed necessary without the presence of the Executive Directors to discuss their audit plans, audit findings and their reviews of PLB's financial results/statutory statement of accounts.

In addition, the external auditors are invited to attend the AGM of the Company and are available to clarify and answer shareholders' questions on their conduct of the audit as well as the preparation and contents of the audit report.

A summary of the activities of the AC during the year, including the evaluation of the independent audit process, are set out in the AC's Report on pages 11 to 14 of the Annual Report.

The Board believes that the provision of these services by the external auditors to PLB and the Group were cost effective and efficient due to their knowledge and understanding of the operations of the Company and the Group, and did not compromise their independence and objectivity.

SECTION 5 : COMPLIANCE STATEMENT

The Group has complied with the Best Practices set out in Part 2 of the Code throughout the financial year.

Corporate Social Responsibility ('CSR') Statement

The PLB Group continued to carry out its CSR through activities which include of the following:-

Human Capital Development

The Group organises various trainings, seminars and workshops to upgrade and enhance the skills and knowledge of employees. The training programmes for last year ranged from job-related technical trainings to soft skills, management and administrative courses as highlighted in the Corporate Governance Statement.

Safety and Health

Safety and health are of paramount importance to the Group. Apart from having appropriate plans to deal with emergencies, concerted effort is made to prevent accidents and injuries at the workplace. Trainings and awareness programmes were held to inculcate a conscientious attitude and increase awareness towards safety and health among the employees.

Work-Life Balance

To promote work-life balance and a healthy working environment among the employees, a leisure room was created for the employees to unwind during breaks and after work within the Company's premise.

Employee Welfare

The Group bears the cost of outpatient medical attention and fees of the employees. Employees are insured under the Group's Hospitalisation and Surgical Scheme for hospitalisation and critical illnesses and are also covered by the Group's personal accident insurance scheme.

Industrial Trainings

The Group continues to take in students from various universities and polytechnics to undergo practical trainings with durations ranging from 3 to 9 months with the objective of equipping students with the necessary working skills and knowledge. Students who successfully completed the trainings are presented with certificates of completion. Last year, twenty one (21) students from various local educational institutions completed their respective trainings with the Group with a total RM29,344.09 given to them as allowance.

Sports

To promote healthy activities among the youths, PLB continues its support in sponsoring sports activities like the Penang State Tournament 2009 held by Majlis Sukan Negeri Pulau Pinang.

Community & Social Activities

During the financial year, the Group had made monetary donation amounting to RM127,544.00 to various organizations like charities, sports activities, schools, religious establishments as well as natural disaster relief funds.

Environmental Consciousness

The Group strongly believes and adopts environmentally-safe practices in its operations. A total amount of 2.16 ton recycle items were collected during the financial year and the revenue therefrom donated to charity. Further, the Group supported the Earth Hour Program on 27 March 2010 from 8.30 pm to 9.30 pm initiated by the World Wildlife Fund. In conjunction with the 40th Anniversary of Earth Day on 22 April 2010, the Company's employees also switched off electricity whenever not utilised.

Statement Of Directors' Responsibility In Relation To The Financial Statements

The Directors are required by the Companies Act, 1965 ("Act") to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results of the Group and the Company for the financial year. The Directors have responsibility in ensuring that the financial statements have been prepared in accordance with Financial Reporting Standards and the Act in Malaysia.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act. The Directors have general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Additional Disclosure Statements

Utilisation of Proceeds Raised from any Corporate Proposal

Not applicable as none was proposed.

Share Buy-Back

Details of the Share Buy-Back of the Company during the financial year are disclosed under Note 17 of the Audited Financial Statement on pages 72 to 73 of this Annual Report.

Options or Warrants

There were no issuance of options, warrants or convertible securities during the financial year.

American Depository Receipt ("ADR") or Global Depository Receipt Programme ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR programme.

Imposition or Sanctions and Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

During the financial year, the non-audit fees paid to the external auditors of the Group was RM1,500. A taxation fee totaling RM21,050 was paid to a company in which certain partners of the audit firm are shareholders and directors.

Variation in Results

There were no variances of 10% or more between the audited results for the financial year ended 31 August 2010 and the unaudited results announced to Bursa Securities on 28 October 2010. The Company did not issue or announce any profit estimate, forecast or projection to the public for the financial year.

Revaluation Policy

The Company and the Group does not adopt a policy on regular revaluation of its landed properties.

Profit Guarantee

During the financial year, there were no profit guarantees given by the Company or its subsidiary companies.

Material Contracts involving Directors and Major Shareholders

There were no material contracts of the Company and the Group involving Directors and major shareholders entered into since the end of the previous financial year or still subsisting at the end of the financial year ended 31 August 2010.

Recurrent Related Party Transactions of a Revenue or Trading Nature

Details of transactions with Related Party undertaken by the Group during the financial year are disclosed in Note 31 of the Financial Statements.

Statement on Internal Control

Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the companies' assets. Under the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Para 15.27(b) Directors of listed companies are required to produce a statement on the state of the companies' internal control in their Annual Report.

The Board recognizes the importance of a sound system of internal control and an effective risk management framework to good corporate governance. The Board further affirms that it is ultimately responsible for the Group's system of internal controls that includes the assurance of its adequacy and integrity at all times, and its alignment with our business objectives. However, it should be noted that these controls are designed to manage rather than to eliminate the risks of failure to achieve business objectives. As such, the controls can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board, throughout the financial year under review, has identified, evaluated and managed the significant risks faced by the Group through the monitoring of the Group's performance and profitability at its Board meeting. The Board has assigned the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group's internal control.

Internal Audit

The Group has an Internal Audit Department which independently reviews the adequacy and integrity of the Group's systems of control in managing the key risks and report accordingly to the Audit Committee on a quarterly basis. Where any significant weaknesses have been identified as a result of the reviews, improvement measures are recommended to strengthen controls, with follow-up audits by Internal Audit to assess the status of implementation thereof by Management. A risk-based approach towards planning and conduct of audits was used by the Internal Auditors in prioritising their review of the various risk areas of the Group.

Other Risks and Control Processes

In addition, the full Board meets on a quarterly basis to discuss matters brought to its attention, thus ensuring effective supervision over the operations of the Group. The Board is updated on the operations and activities of the Group which include the strategies and goals and an assessment of its current position and future prospects.

The Group Managing Director together with the senior management team manages the day-to-day operations of the Group and addresses significant matters through management, operations, and site meetings held on a regular basis. Senior management also receives and reviews such reports provided during the meetings.

The Board is committed towards operating and maintaining a sound system of internal control and recognizes that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to rectify any potential weaknesses or further enhance the system of internal control. There were no material losses incurred during the financial year as a result of weaknesses in internal control.

Financial Statements

25 - 30	Directors' Report
31	Directors' Statement
31	Statutory Declaration
32	Independent Auditors' Report To The Members
33	Consolidated Balance Sheet
34	Consolidated Income Statement
35	Consolidated Statement Of Changes In Equity
36 - 38	Consolidated Cash Flow Statement
39	Balance Sheet
40	Income Statement
41	Statement Of Changes In Equity
42	Cash Flow Statement
43 - 92	Notes To The Financial Statements

Directors' Report

For The Year Ended 31 August 2010

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 August 2010**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of the subsidiaries are shown in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) after taxation for the year	4,698,556	(1,704,680)
Attributable to :		
Equity holders of the Company	4,501,805	(1,704,680)
Minority interests	196,751	-
	4,698,556	(1,704,680)

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 August 2010** have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report other than the provision for liabilities in respect of a corporate guarantee amounting to RM1,520,400 charged to the income statement of the Group and of the Company for the year under review as set out in Note 36(ii) to the financial statement.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the notes to the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company had paid a first and final dividend of 1.50% less 25% tax amounting to RM924,566 in respect of the financial year ended 31 August 2009, as proposed in the directors' report of that year.

The directors now recommend the payment of a first and final dividend of 1.50% less 25% tax amounting to RM924,268 for the financial year ended 31 August 2010 subject to the approval of shareholders at the forthcoming Annual General Meeting.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

TREASURY SHARES

During the financial year, the Company repurchased **154,300** (2009 : 6,552,700) of its issued ordinary shares from the open market at an average price of **RM0.99** (2009 : RM1.09) per share for a total consideration of **RM154,141** (2009 : RM7,205,037). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. Treasury share have no rights to voting, dividends and participation in other distribution.

Directors' Report (Cont'd)

For The Year Ended 31 August 2010

TREASURY SHARES (cont'd)

Out of the total **91,281,667** (2009 : 91,281,667) issued and fully paid ordinary shares as at 31 August 2010, **9,124,500** (2009 : 8,970,200) are held as treasury shares by the Company. As at 31 August 2010, the number of outstanding ordinary shares in issue and fully paid is therefore **82,157,167** (2009 : 82,311,467) ordinary shares of RM1 each.

Further relevant details are disclosed in Note 17 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

Pursuant to the approval by the Securities Commission ("SC") and the members on 29 October 2001 and 29 April 2002 respectively, the Company implemented a new ESOS under the SC Guidelines for the eligible directors and employees of the Company and its subsidiaries. The new ESOS replaces the previous ESOS which was terminated on 14 May 2002.

The salient features of the new ESOS are as follows :

- (i) the maximum number of new shares of the Company which may be subscribed on the exercise of options granted under the new ESOS shall not, in aggregate, be more than ten per centum (10%) of the issued and paid-up share capital of the Company or such maximum percentage as allowable by the relevant authorities at any point of time during the existence of the new ESOS,
- (ii) not more than 50% (or such percentage as allowable by the relevant authorities) of the shares available under the new ESOS would be allocated, in aggregate, to directors and senior management of the Company. In addition, not more than 10% (or such percentage as allowable by the relevant authorities) of the shares available under the new ESOS would be allocated to any eligible employee who, either singly or collectively through his/her associates, holds 20% or more in the issued and paid-up share capital of the Company,
- (iii) the new ESOS shall take effect on 28 May 2002 and shall continue to be in force for a period of ten (10) years from the effective date,
- (iv) the price payable upon exercise of each of the option granted under the new ESOS shall be set based on the 5-day weighted average market price of the Company's shares as quoted on the Bursa Malaysia Securities Berhad immediately preceding the date of offer with a discount of not more than ten per centum (10%), if deemed appropriate, or such lower or higher limit as approved by the relevant authorities or at the par value of each of the share in the Company, whichever is higher,
- (v) the new shares to be allotted and issued upon exercise of any option shall upon allotment, rank pari passu in all respects with the existing shares of the Company except that the new shares so allotted shall not be entitled to any dividend, rights, allotments or other distribution unless the shares so allotted have been credited into the relevant securities accounts maintained by the Bursa Malaysia Depository Sdn. Bhd. before the entitlement date and will be subject to all the provisions of the Articles of Association of the Company relating to the transfer, transmission or otherwise of the shares in the Company, and
- (vi) the persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

The movements of the options over unissued shares of the Company granted under the new ESOS during the financial year are as follows :

Date of offer	Option price	Balance	Exercised	Lapsed	Balance
		at 1.9.2009		due to resignation	at 31.8.2010
6.6.2002	1.60	546,000	-	(18,000)	528,000
30.8.2002	1.51	3,000	-	-	3,000
1.12.2003	1.69	14,000	-	-	14,000
26.2.2004	1.77	1,953,000	-	(113,000)	1,840,000
1.6.2004	1.23	16,000	-	-	16,000

Directors' Report (Cont'd)

For The Year Ended 31 August 2010

WARRANTS

The salient features of the warrants are :

- (i) The warrants are offered free to the entitled shareholders of the Company,
- (ii) Subject to the provision of the Deed Poll, each warrant will entitle its registered holder to subscribe for one (1) new ordinary share in the Company at the exercise price at any time during the exercise period,
- (iii) The warrants may be exercised at any time within the period commencing one (1) day after the date of issue of the warrants and ending five (5) years from the date of issue of the warrants (or such period as may be extended in accordance with the provisions of the Deed Poll and subject to the Companies Act, 1965). Warrants not exercised during the exercise period will thereafter lapse and become null and void,
- (iv) For every one (1) rights share issued. Subsequent to the allotment and issue of the rights shares and warrants, the warrants were immediately detached,
- (v) The exercise price of the warrants is RM1.91 per new ordinary share. The exercise price and the number of outstanding warrants will be subject to adjustments under circumstances in accordance with the provisions of the Deed Poll to be executed by the Company. Notwithstanding the adjustments, the exercise price shall not be lower than the par value of the ordinary shares in the Company for the time being during the exercise period of the warrants,
- (vi) The new ordinary shares in the Company issued upon exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the existing issued and paid-up ordinary shares in the Company except that they will not be entitled to any dividend, rights, allotment and/or distribution which may be declared, made or paid, the entitlement date of which is before or on the date of allotment of the new ordinary shares,
- (vii) The registered holder of the warrant shall pay cash for the exercise price when subscribing for the new ordinary shares in the Company,
- (viii) A board lot of warrants is 100 warrants carrying the right to subscribe for 100 new ordinary shares at any time during the exercise period, and
- (ix) The persons to whom the warrants have been granted have no right to participate by virtue of the options in any share issue of any other company.

The details of warrants issued and exercised are as follows :

----- Number of warrants over ordinary shares of RM1 each -----			
Exercise price	Balance at 1.9.2009	Exercised	Balance at 31.8.2010
RM1.91	20,243,000	-	20,243,000

The Company's outstanding warrants expired on 7 November 2010 and warrants not exercised by that date become null and void.

ULTIMATE HOLDING COMPANY

The directors regard Leading Builders Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

Directors' Report (Cont'd)

For The Year Ended 31 August 2010

DIRECTORS

The directors who served since the date of the last report are as follows :

Dato' Ong Choo Hoon
Dato' Dr. Ong Seng Soon
Tengku Dato' Naizatul Shima Bt Tengku Abd Murad Shah Alhaj (appointed on 21.10.2010)
Mardzukhi Bin Abu Bakar
Dato' Mohd. Shariff Bin Ibrahim (Alternate to Mardzukhi Bin Abu Bakar)
Ong Guat Beng
Ong Seng Chye
Saw Chin Eng
Dato' Noordin Bin Md. Noor
Teoh Siew Tin

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the directors in office at the end of the financial year in shares, options and warrants over unissued shares in the Company and its related corporations during the financial year are as follows :

	— Number of ordinary shares of RM1 each —			Balance at 31.8.2010
	Balance at 1.9.2009	Bought	Sold	
The Company				
Direct Interest :				
Dato' Ong Choo Hoon	1,888,095	-	-	1,888,095
Dato' Dr. Ong Seng Soon	65,333	-	-	65,333
Mardzukhi Bin Abu Bakar	8,333	-	-	8,333
Dato' Mohd. Shariff Bin Ibrahim (Alternate to Mardzukhi Bin Abu Bakar)	1,000,000	-	-	1,000,000
Ong Guat Beng	52,333	-	-	52,333
Ong Seng Chye	52,333	-	-	52,333
Dato' Noordin Bin Md. Noor	13,333	-	-	13,333
Deemed Interest :				
Dato' Ong Choo Hoon	42,997,836	400,000	-	43,397,836
Dato' Dr. Ong Seng Soon	42,997,836	400,000	-	43,397,836
Ultimate Holding Company - Leading Builders Sdn. Bhd.				
Direct Interest :				
Dato' Ong Choo Hoon	1,703,337	-	-	1,703,337
Dato' Dr. Ong Seng Soon	634,575	-	-	634,575
Ong Guat Beng	333,988	-	-	333,988
Ong Seng Chye	333,988	-	-	333,988
* Other interest :				
Dato' Ong Choo Hoon	700,667	-	-	700,667
Dato' Dr. Ong Seng Soon	145,667	-	-	145,667
Ong Seng Chye	129,000	-	-	129,000

* By virtue of interest of the spouse and children

Directors' Report (Cont'd)

For The Year Ended 31 August 2010

By virtue of their interests in the ultimate holding company, **Dato' Ong Choo Hoon** and **Dato' Dr. Ong Seng Soon** are deemed interested in the shares of the subsidiaries, to the extent that the ultimate holding company has interests.

Details of ESOS granted and warrants issued to executive directors are as follows :

-- Options over ordinary shares of RM1 each --

	Balance at 1.9.2009	Granted and accepted	Exercised	Balance at 31.8.2010
Dato' Ong Choo Hoon	252,000	-	-	252,000
Dato' Dr. Ong Seng Soon	252,000	-	-	252,000
Mardzukhi Bin Abu Bakar	225,000	-	-	225,000
Ong Guat Beng	225,000	-	-	225,000
Ong Seng Chye	225,000	-	-	225,000

-- Warrants over ordinary shares of RM1 each --

	Balance at 1.9.2009	Exercised	Disposal	Balance at 31.8.2010
Direct Interest :				
Dato' Ong Choo Hoon	666,945	-	-	666,945
Dato' Dr. Ong Seng Soon	4,000	-	-	4,000
Ong Guat Beng	4,000	-	-	4,000
Ong Seng Chye	4,000	-	-	4,000
Deemed Interest :				
Dato' Ong Choo Hoon	8,744,202	-	-	8,744,202
Dato' Dr. Ong Seng Soon	8,744,202	-	-	8,744,202

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the ESOS granted to certain directors.

Directors' Report (Cont'd)

For The Year Ended 31 August 2010

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps :

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts, and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances :

- (i) that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, or
- (iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist :

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are disclosed in the notes to the financial statements.

AUDITORS

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors :

Dato' Dr. Ong Seng Soon

Ong Guat Beng

Penang,

Date : 10 December 2010

Directors' Statement

We, **Dato' Dr. Ong Seng Soon** and **Ong Guat Beng**, being two of the directors of **PLB Engineering Berhad** state that in the opinion of the directors, the financial statements set out on pages 33 to 92 are properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 August 2010** and of their financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the directors :

Dato' Dr. Ong Seng Soon

Ong Guat Beng

Date : 10 December 2010

Statutory Declaration

I, **Ong Guat Beng**, the director primarily responsible for the financial management of **PLB Engineering Berhad** do solemnly and sincerely declare that the financial statements set out on pages 33 to 92 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **10th**)
day of **December 2010**.)

Ong Guat Beng

Before me,

Goh Suan Bee
Commissioner for Oaths
(P125)

Independent Auditors' Report To The Members Of PLB Engineering Berhad Company No. 418224-X (Incorporated In Malaysia)

Report on the Financial Statements

We have audited the financial statements of **PLB Engineering Berhad**, which comprise the balance sheets as at **31 August 2010** of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 92.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 August 2010** and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following :

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act,
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and
- (c) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton
No. AF : 0042
Chartered Accountants

Date : 10 December 2010

Penang

John Lau Tiang Hua, DJN
Partner
No. 1107/03/12 (J)
Chartered Accountant

Consolidated Balance Sheet

At 31 August 2010

	NOTE	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,009,310	9,521,681
Investment properties	4	11,936,471	12,066,835
Investment in an associate	6	389,058	405,091
Investment in a jointly controlled entity	7	7,207,239	11,453,849
Land held for development	8	30,871,302	28,450,192
Other investments	9	4,253,512	3,969,303
		<u>63,666,892</u>	<u>65,866,951</u>
Current assets			
Inventories	10	10,201,465	10,724,332
Property development costs	11	62,365,202	23,967,250
Gross amount due from customers on contracts	12	27,065,976	24,412,079
Trade and other receivables	13	37,014,672	41,645,009
Tax recoverable		229,615	613,711
Fixed deposits with licensed banks	14	2,189,964	3,419,296
Cash and bank balances	15	5,856,144	1,398,981
		<u>144,923,038</u>	<u>106,180,658</u>
TOTAL ASSETS		<u>208,589,930</u>	<u>172,047,609</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	91,281,667	91,281,667
Treasury shares	17	(10,508,115)	(10,353,974)
Reserves	18	17,693,554	14,116,315
		<u>98,467,106</u>	<u>95,044,008</u>
Minority interests		1,253,115	1,056,364
Total equity		<u>99,720,221</u>	<u>96,100,372</u>
Non-current liabilities			
Borrowings	19	22,264,912	7,299,027
Deferred tax liabilities	20	1,234,559	1,284,126
		<u>23,499,471</u>	<u>8,583,153</u>
Current liabilities			
Gross amount due to customers on contracts	12	7,062,766	7,769,777
Trade and other payables	21	32,281,417	31,272,953
Borrowings	19	45,941,206	28,254,919
Provision for taxation		84,849	66,435
		<u>85,370,238</u>	<u>67,364,084</u>
Total liabilities		<u>108,869,709</u>	<u>75,947,237</u>
TOTAL EQUITY AND LIABILITIES		<u>208,589,930</u>	<u>172,047,609</u>

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Consolidated Income Statement

For The Year Ended 31 August 2010

	NOTE	2010 RM	2009 RM
Revenue	22	101,470,408	109,332,813
Cost of sales/Direct operating costs	23	(89,067,714)	(109,999,130)
Reversal of foreseeable loss/(Foreseeable loss) on construction contract project		<u>3,590</u>	<u>(58,493)</u>
Gross profit/(loss)		12,406,284	(724,810)
Other income		84,624	5,496,248
General and administrative expenses		<u>(10,851,554)</u>	<u>(12,735,097)</u>
Profit/(Loss) from operations		1,639,354	(7,963,659)
Finance costs		(1,376,206)	(1,520,272)
Share of results of an associate		(16,033)	(55,512)
Share of results of a jointly controlled entity		<u>4,753,390</u>	<u>3,743,828</u>
Profit/(Loss) before taxation	24	5,000,505	(5,795,615)
Taxation	25	<u>(301,949)</u>	<u>(413,680)</u>
Profit/(Loss) for the year		<u>4,698,556</u>	<u>(6,209,295)</u>
Attributable to :			
Equity holders of the Company		4,501,805	(6,063,984)
Minority interests		<u>196,751</u>	<u>(145,311)</u>
		<u>4,698,556</u>	<u>(6,209,295)</u>
Earnings/(Loss) per share (sen)			
- Basic	26	<u>5.48</u>	<u>(7.13)</u>

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Consolidated Statement Of Changes In Equity

For The Year Ended 31 August 2010

NOTE	----- Attributable to Equity Holders of the Company -----					Total RM	Minority Interests RM	Total Equity RM
	----- Non-distributable -----		----- Distributable -----					
	Share Capital RM	Treasury Shares RM	Share Premium RM	Retained Profits/ (Accumulated Loss) RM	Total RM			
2010								
Balance at beginning	91,281,667	(10,353,974)	15,951,063	(1,834,748)	95,044,008	1,056,364	96,100,372	
Profit for the year	-	-	-	4,501,805	4,501,805	196,751	4,698,556	
Dividend	-	-	-	(924,566)	(924,566)	-	(924,566)	
Purchase of treasury shares	-	(154,141)	-	-	(154,141)	-	(154,141)	
Balance at end	91,281,667	(10,508,115)	15,951,063	1,742,491	98,467,106	1,253,115	99,720,221	
2009								
Balance at beginning	91,281,667	(3,148,937)	15,951,063	5,286,481	109,370,274	1,223,726	110,594,000	
Loss for the year	-	-	-	(6,063,984)	(6,063,984)	(145,311)	(6,209,295)	
Acquisition of additional equity interests of existing subsidiary from minority interests	-	-	-	-	-	(22,051)	(22,051)	
Dividend	-	-	-	(1,057,245)	(1,057,245)	-	(1,057,245)	
Purchase of treasury shares	-	(7,205,037)	-	-	(7,205,037)	-	(7,205,037)	
Balance at end	91,281,667	(10,353,974)	15,951,063	(1,834,748)	95,044,008	1,056,364	96,100,372	

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For The Year Ended 31 August 2010

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	5,000,505	(5,795,615)
Adjustments for :		
Allowance for doubtful debts	294,119	1,883,578
Bad debts	-	105,556
Depreciation	858,548	833,749
Dividend income	(80)	(80)
(Reversal of foreseeable loss)/Foreseeable loss on construction contract project	(3,590)	58,493
Gain on disposal of investment properties	-	(110,032)
Loss/(Gain) on disposal of property, plant and equipment	6,482	(5,175,457)
Goodwill on consolidation written off	-	414,949
Impairment loss on quoted investments	-	292,760
Interest expense	1,376,206	1,520,272
Interest income	(76,293)	(167,867)
Inventories written down	-	1,555,129
Property, plant and equipment written off	9,959	32,830
Share of results of a jointly controlled entity	(4,753,390)	(3,743,828)
Share of results of an associate	16,033	55,512
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	2,728,499	(8,240,051)
Decrease/(Increase) in inventories	262,867	(9,524,959)
(Increase)/Decrease in property development costs	(27,736,136)	11,729,947
(Decrease)/Increase in gross amount due from/to customers on contracts	(2,908,007)	9,364,716
Decrease in receivables	4,336,218	11,259,359
Increase in payables	1,008,464	5,749,221
Decrease in land held for sale	-	259,750
	<hr/>	<hr/>
Cash (used in)/from operations	(22,308,095)	20,597,983
Dividend received	9,000,000	-
Income tax paid	(699,738)	(1,297,204)
Income tax refund	750,752	12,310
Interest paid	(2,235,606)	(1,763,524)
Interest received	76,293	167,867
	<hr/>	<hr/>
Net cash (used in)/from operating activities carried forward	(15,416,394)	17,717,432

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Consolidated Cash Flow Statement (Cont'd)

For The Year Ended 31 August 2010

	2010	2009
	RM	RM
Net cash (used in)/from operating activities brought forward	(15,416,394)	17,717,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional equity interests of existing subsidiary (Note A)	-	(437,000)
Dividend received	60	60
Purchase of land held for development	(12,314,022)	(9,321,475)
Withdrawal/(Placement) of fixed deposits	1,229,332	(1,656,366)
Proceeds from disposal of investment properties	-	188,903
Proceeds from disposal of property, plant and equipment	950	6,340,066
Purchase of other investment	(284,209)	-
Purchase of investment properties	(14,440)	(958,534)
* Purchase of property, plant and equipment	(244,909)	(306,394)
Net cash used in investing activities	(11,627,238)	(6,150,740)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(924,566)	(1,057,245)
Drawdown/(Repayment) of bankers acceptance	3,035,511	(3,975,478)
Interest paid	(72,670)	(749,064)
Payment of hire purchase payables	(197,891)	(186,586)
Proceeds from term loan	23,100,000	6,800,000
Purchase of treasury shares	(154,141)	(7,205,037)
Repayment of term loans	(3,242,411)	(4,285,430)
Net cash from/(used in) financing activities	21,543,832	(10,658,840)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,499,800)	907,852
CASH AND CASH EQUIVALENTS AT BEGINNING	(10,105,717)	(11,013,569)
CASH AND CASH EQUIVALENTS AT END	(15,605,517)	(10,105,717)

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Consolidated Cash Flow Statement (Cont'd)

For The Year Ended 31 August 2010

	2010	2009
	RM	RM
Represented by :		
Cash and bank balances	5,856,144	1,398,981
Bank overdrafts	(21,461,661)	(11,504,698)
	<u>(15,605,517)</u>	<u>(10,105,717)</u>
* Purchase of property, plant and equipment		
Total acquisition cost	244,909	439,694
Acquired under hire purchase loan	-	(133,300)
	<u>244,909</u>	<u>306,394</u>
Note A		
Cash flow on acquisition of additional equity interests of existing subsidiary		
Property, plant and equipment	-	1,798
Receivables	-	19,538
Cash and bank balances	-	12,069
Property development costs	-	593,842
Payables	-	(605,196)
	<u>-</u>	<u>(1,798)</u>
Share of net assets acquired from minority interests	-	22,051
Goodwill on consolidation	-	414,949
	<u>-</u>	<u>437,000</u>
Total cash consideration paid	<u>-</u>	<u>437,000</u>

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Balance Sheet

At 31 August 2010

	NOTE	2010 RM	2009 RM
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,233	9,305
Investment in subsidiaries	5	77,276,861	77,276,861
		77,279,094	77,286,166
Current assets			
Trade and other receivables	13	46,404,729	45,717,398
Tax recoverable		20,881	9,875
Cash and bank balances	15	18,796	279,258
		46,444,406	46,006,531
TOTAL ASSETS		123,723,500	123,292,697
EQUITY AND LIABILITIES			
Share capital	16	91,281,667	91,281,667
Treasury shares	17	(10,508,115)	(10,353,974)
Reserves	18	25,520,442	28,149,688
Total equity		106,293,994	109,077,381
Current liabilities			
Trade and other payables	21	17,429,506	14,215,316
TOTAL EQUITY AND LIABILITIES		123,723,500	123,292,697

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Income Statement

For The Year Ended 31 August 2010

	NOTE	2010 RM	2009 RM
Revenue	22	2,513,520	2,775,929
Other income		393	179,292
General and administrative expenses		<u>(4,211,974)</u>	<u>(1,512,912)</u>
(Loss)/Profit before taxation	24	(1,698,061)	1,442,309
Taxation	25	<u>(6,619)</u>	<u>16,997</u>
(Loss)/Profit for the year		<u>(1,704,680)</u>	<u>1,459,306</u>

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Statement Of Changes In Equity

For The Year Ended 31 August 2010

NOTE	Share Capital RM	Non-distributable		Distributable Retained Profits RM	Total Equity RM
		Treasury Shares RM	Share Premium RM		
2010					
Balance at beginning	91,281,667	(10,353,974)	15,951,063	12,198,625	109,077,381
Loss for the year	-	-	-	(1,704,680)	(1,704,680)
Dividend	27	-	-	(924,566)	(924,566)
Purchase of treasury shares	17	-	(154,141)	-	(154,141)
Balance at end	91,281,667	(10,508,115)	15,951,063	9,569,379	106,293,994
2009					
Balance at beginning	91,281,667	(3,148,937)	15,951,063	11,796,564	115,880,357
Profit for the year	-	-	-	1,459,306	1,459,306
Dividend	27	-	-	(1,057,245)	(1,057,245)
Purchase of treasury shares	17	-	(7,205,037)	-	(7,205,037)
Balance at end	91,281,667	(10,353,974)	15,951,063	12,198,625	109,077,381

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Cash Flow Statement

For The Year Ended 31 August 2010

	2010 RM	2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,698,061)	1,442,309
Adjustments for :		
Bad debts	-	130
Debts waived by a subsidiary	-	(175,802)
Depreciation	6,272	7,541
Impairment loss on investment in subsidiaries	-	(1,601,535)
Investment written off	-	176,290
Property, plant and equipment written off	800	862
Operating loss before working capital changes	(1,690,989)	(150,205)
Increase in receivables	(9,970)	-
Increase in payables	1,585,105	38,649
Cash used in operations	(115,854)	(111,556)
Income tax paid	(17,625)	(28,375)
Income tax refund	-	10,497
Net cash used in operating activities	(133,479)	(129,434)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net change in subsidiaries balances	951,724	8,442,816
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(924,566)	(1,057,245)
Purchase of treasury shares	(154,141)	(7,205,037)
Net cash used in financing activities	(1,078,707)	(8,262,282)
NET (DECREASE)/INCREASE IN CASH	(260,462)	51,100
CASH AT BEGINNING	279,258	228,158
CASH AT END	18,796	279,258

The notes set out on pages 43 to 92 form an integral part of these financial statements.

Notes To The Financial Statements

31 August 2010

1. GENERAL INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The directors regard Leading Builders Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 December 2010.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services.

The principal activities of the subsidiaries are shown in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

2.1 Basis of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the accounting policies below and in accordance with applicable Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

At the beginning of the financial year, the Group and the Company had adopted new/revised FRSs for financial periods beginning on or after 1 July 2009 as described fully in Note 2.25 (i).

The financial statements are presented in Ringgit Malaysia ("RM").

2.2 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed as follows :

(i) Depreciation of property, plant and equipment

The depreciable costs of property, plant and equipment are allocated on the straight line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual value of these assets.

(ii) Recoverability of receivables

The Company makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowance for doubtful debt is provided where events or changes in circumstances indicate that the balances may not be collectable. The identification of doubtful debts requires use of judgement and estimates. Where the estimation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debts expenses in the period in which such estimate has been changed.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Significant Accounting Estimates and Judgements (cont'd)

(iii) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined either by reference to the proportion that architect progress certificate for work performed to date bear to the estimated total sale value or by the proportion that property development costs incurred to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of architects.

(iv) Construction contract

The Group recognised contract revenue and contracts costs by using the stage of completion method. The stage of completion is measured by reference to the proportion of the survey of works performed to date to the estimated total contract sum.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of architects.

2.3 Subsidiaries and Basis of Consolidation

Subsidiaries

Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Investment in subsidiaries which is eliminated on consolidation is stated at cost less accumulated impairment losses in the Company's separate financial statements.

Upon the disposal of investment in subsidiaries, the difference between the net disposal proceeds and their carrying amount is recognised in the income statement.

Basis of Consolidation

The consolidated financial statements of the Group include the audited financial statements of the Company and all its subsidiaries made up to the end of the financial year. The Group adopts both the merger and acquisition methods of consolidation.

The acquisitions of the subsidiaries prior to 31 August 2001 are consolidated under merger accounting principles. As permitted by the transitional provisions of FRS 3 – Business Combinations, the consolidation method for business combinations for which the agreements dated prior to 1 January 2006 are to remain the same. The results of the companies being merged are included for the full financial year and the consolidated financial statements are presented as if the companies had been combined throughout the previous financial years. Merger debit arising on consolidation, which represents the excess of the nominal value of shares in subsidiaries acquired and the nominal value of shares issued for the acquisition is set off against Group reserves.

Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed of are included from the date of acquisition and up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities represents goodwill and is retained in the balance sheet. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Subsidiaries and Basis of Consolidation (cont'd)

Basis of Consolidation (cont'd)

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

Inter-company balances, transactions and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered. Where necessary, adjustments are made to the financial statements of the subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is measured at the minorities' share of the acquisition fair values of the identifiable assets and liabilities of the acquiree company. Separate disclosure is made of minority interest.

2.4 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Certain land and buildings are subsequently shown at valuation based on valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses, if any.

Surpluses arising on revaluation are credited to asset revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the asset revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates :

Buildings	2% - 10%
Plant and machinery	10% - 20%
Office equipment, furniture and fixtures	5% - 20%
Motor vehicles	10% - 20%

Freehold land is not depreciated as it has an infinite life.

The residual value, useful life and depreciation method are reviewed at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is included in the income statement and the attributable portion of the revaluation surplus is taken directly to retained profits.

2.5 Hire Purchase

Property, plant and equipment financed under hire purchase are capitalised in the financial statements and are depreciated in accordance with the accounting policy as set out in Note 2.4. Outstanding obligations due under hire purchase after deducting finance costs are included as liabilities in the financial statements. The finance costs are charged to the income statement over the period of the respective agreements using the sum-of-digits method.

2.6 Investment Properties

Investment properties are properties which are held to earn rental income or for capital appreciation or both. Such properties are measured initially at cost. Initial cost comprises purchase price and any directly attributable expenditure for a purchased investment property. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Long and short leasehold land, buildings, freehold office lots and flats are subsequently shown at valuation based on valuations by external independent valuers, less accumulated depreciation and accumulated impairment losses, if any.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Investment Properties (cont'd)

Buildings, freehold office lots and flats, and freehold commercial lots and shoplots are depreciated on the straight line method to write off the cost to their residual value over their estimated useful lives at 2% per annum while the leasehold land is amortised over the remaining lease period of 30 to 98 years.

Freehold land is not depreciated as it has an infinite life.

The residual value, useful life and depreciation method are reviewed at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of investment properties.

Upon the disposal of an investment property, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statement and the attributable portion of the revaluation surplus is taken directly to retained profits.

2.7 Investments

Associates

An associate is defined as one in which the Company has significant influence, but not control, over the financial and operating policies.

Investment in associates is accounted for in the consolidated financial statements by the equity method of accounting based on audited or management financial statements of the associates, where appropriate. Under the equity method of accounting, the Group's share of profits and losses of the associates during the year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associates.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated unless cost cannot be recovered.

The equity method of accounting is discontinued when the Group's share of losses of the associates exceeds its carrying amount of investment, unless the Group has incurred obligations or guaranteed obligations in respect of the associates.

In the Company's separate financial statements, investment in associates is stated at cost less accumulated impairment losses, if any.

Upon the disposal of investment in an associate, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statement.

Jointly controlled entities

Jointly controlled entities are enterprises in which the Group has contractually agreed to share its control with one or more parties.

Investment in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting based on audited or management financial statements of the jointly controlled entities, where appropriate. Under the equity method of accounting, the Group's share of profits and losses of the jointly controlled entities during the year is included in the consolidated income statement. The Group's interest in jointly controlled entities is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the jointly controlled entities.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.7 Investments (cont'd)

Jointly controlled entities (cont'd)

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

The equity method of accounting is discontinued when the Group's share of losses of the jointly controlled entities exceeds its carrying amount of investment, unless the Group has incurred obligations or guaranteed obligations in respect of the jointly controlled entities.

In the Company's separate financial statements, investment in jointly controlled entities is stated at cost less accumulated impairment losses, if any.

Upon the disposal of investment in a jointly controlled entity, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statement.

Other investments

Other investments are stated at cost less accumulated impairment losses, if any.

Upon the disposal of other investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statement.

2.8 Land Held for Development and Property Development Costs

Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less impairment losses, if any.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined either by reference to the proportion that architect progress certificate for work performed to date bear to the estimated total sale value or by the proportion that property development costs incurred to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Land Held for Development and Property Development Costs (cont'd)

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

2.9 Construction Contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contracts costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of the survey of works performed to date to the estimated total contract sum.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billing, the balance is classified as amount due from customers on contracts. When progress billings exceeds costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.10 Inventories

Construction materials purchased for the Group's projects are stated at cost. Cost is determined on the first-in, first-out basis.

Land and completed development units are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis.

Net realisable value is the estimated selling price less the estimated cost necessary to make the sale.

2.11 Receivables

Receivables are stated at their anticipated realisable values.

Known bad debts are written off and specific allowance is made for any debts considered to be doubtful of collection.

2.12 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2.14 Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets other than inventories and financial assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.14 Impairment of Assets (cont'd)

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

2.15 Interest-bearing borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs incurred.

Borrowing costs that are directly attributable to the acquisition, construction, production or preparation of assets until they are ready for their intended use or sale are capitalised as part of the cost of those assets. Other borrowing costs are recognised as expenses in the period in which they are incurred.

2.16 Income Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Construction contract revenue

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.9.

Property development revenue

Revenue from sale of properties is accounted for by the stage of completion method as described in the accounting policy as set out in Note 2.8.

Sale of goods

Revenue from sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Rental, interest and management fee income

These income are recognised on the accrual basis.

2.17 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

Equity compensation benefits

The Employees Share Option Scheme ("ESOS") of the Company grants the Group's employees options to subscribe for shares in the Company at pre-determined subscription prices. Pursuant to the transitional provisions of FRS 2 : Share-based Payment, no compensation costs or obligations are recognised in the financial statements as all the ESOS were granted before 31 December 2004. When the options are exercised, equity is increased by the amount of proceeds received.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted by the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2.19 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

2.20 Segment Reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide services that are subject to risks and returns that are different from those of other business segments.

2.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the financial statements of the Group.

2.22 Equity Instruments

Ordinary shares are classified as equity which are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction which comprise only those incremental external costs directly attributable to the equity transaction are accounted for as a deduction from equity, net of tax, from the proceeds.

When issued shares of the Company are repurchased, the consideration paid, including directly attributable costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the income statement on the sale, reissuance or cancellation of treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

When treasury shares are reissued by resale, the difference between the sale consideration net of directly attributable costs and its carrying amount of the treasury shares is shown as a movement in equity.

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Derivative Financial Instruments

Derivative financial instruments are not recognised in the financial statements on inception.

2.24 Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of the financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition methods adopted are disclosed in the individual accounting policy associated with each item.

2.25 New/Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations

(i) Adoption of new FRS by the Group and by the Company

On 1 September 2009, the Group and the Company adopted FRS 8 Operating Segments mandatory for financial periods beginning on or after 1 July 2009.

The adoption of this FRS did not have a material impact on the presentation and disclosure aspect.

(ii) New/revised FRSs, amendments/improvements to FRSs and IC Interpretations that are issued but not yet effective and have not been early adopted by the Group and the Company

(a) Effective for financial periods beginning on or after 1 January 2010

Amendment to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendment to FRS 2	Share-based Payment. Amendments relating to vesting conditions and cancellations
FRS 4	Insurance Contracts
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations. Amendment relating to disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
FRS 7	Financial Instruments : Disclosures
Amendment to FRS 7	Financial Instruments : Disclosures Amendments relating to financial assets
Amendment to FRS 8	Operating Segments. Amendment relating to disclosure information about segment assets
FRS 101 (Revised 2010)	Presentation of Financial Statements
Amendment to FRS 107	Statement of Cash Flows. Amendment relating to classification of expenditures on unrecognised assets
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors. Amendment relating to selection and application of accounting policies
Amendment to FRS 110	Events After the Reporting Period. Amendment relating to reason for dividend not recognised as a liability at the end of the reporting period

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 New/Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations (cont'd)

(ii) New/revised FRSs, amendments/improvements to FRSs and IC Interpretations that are issued but not yet effective and have not been early adopted by the Group and the Company (cont'd)

(a) Effective for financial periods beginning on or after 1 January 2010 (cont'd)

Amendment to FRS 116	Property, Plant and Equipment. Amendment relating to derecognition of asset
Amendment to FRS 117	Leases. Amendment relating to classification of leases
Amendment to FRS 118	Revenue. Amendment relating to Appendix of this standard and recognition and measurement
Amendment to FRS 119	Employee Benefits. Amendment relating to definition, curtailment and settlements
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance. Amendment relating to definition and government loan with a below market rate of interest
FRS 123 (Revised 2010)	Borrowing Costs
Amendment to FRS 123	Borrowing Costs. Amendment relating to components of borrowing costs
Amendment to FRS 127	Consolidated and Separate Financial Statements. Amendment relating to cost of an investment in a subsidiary, jointly controlled entity or associate
Amendment to FRS 128	Investment in Associates. Amendment relating to impairment losses in application of the equity method and the scope of this standard
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies. Amendment relating to changing of terms used
Amendment to FRS 131	Interests in Joint Ventures. Amendment relating to additional disclosure required for joint venture that does not apply FRS 131
Amendment to FRS 132	Financial Instruments : Presentation. Amendment relating to puttable financial instruments
Amendment to FRS 134	Interim Financial Reporting. Amendment relating to disclosure of earnings per share
Amendment to FRS 136	Impairment of Assets. Amendment relating to the disclosure of recoverable amount
Amendment to FRS 138	Intangible Assets. Amendment relating to recognition of an expense
FRS 139	Financial Instruments : Recognition and Measurement
Amendments to FRS 139	Financial Instruments : Recognition and Measurements. Amendments relating to eligible hedged items, reclassification of financial assets and embedded derivatives
Amendment to FRS 140	Investment Property. Amendment relating to inability to determine fair value reliably
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Notes To The Financial Statements (Cont'd)

31 August 2010

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 New/Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations (cont'd)

(ii) **New/revised FRSs, amendments/improvements to FRSs and IC Interpretations that are issued but not yet effective and have not been early adopted by the Group and the Company (cont'd)**

(b) Effective for financial periods beginning on or after 1 March 2010

Amendment to FRS 132	Financial Instruments : Presentation. Amendments relating to classification of rights issues
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(c) Effective for financial periods beginning on or after 1 July 2010

FRS 1 (Revised 2010)	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment. Amendments relating to the scope of the Standard
FRS 3 (Revised 2010)	Business Combinations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations. Amendment relating to the inclusion of non-current assets as held for distribution to owners in the standards
FRS127 (Revised 2010)	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets. Amendments relating to the revision to FRS 3
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives. Amendments relating to the scope of the IC and revision to FRS 3
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

(d) Effective for financial periods beginning on or after 1 January 2011

Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendment to FRS 1	Additional Exemptions for First-time Adopters
Amendment to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendment to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

(e) Effective for financial periods beginning on or after 1 January 2012

IC Interpretation 15	Agreements for the Construction of Real Estate
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The existing FRS 1, FRS 3 and FRS 127 will be withdrawn upon the adoption of the revised Standards which will take effect on or after 1 July 2010. FRS 201₂₀₀₄ Property Development Activities shall be withdrawn on application of IC Interpretation 15 which will take effect on or after 1 January 2012. The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in Accounting Estimates and Errors, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

Notes To The Financial Statements (Cont'd)

31 August 2010

.2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.25 New/Revised FRSs, Amendments/Improvements to FRSs and IC Interpretations (cont'd)

(ii) **New/revised FRSs, amendments/improvements to FRSs and IC Interpretations that are issued but not yet effective and have not been early adopted by the Group and the Company (cont'd)**

IC Interpretation 8 and IC Interpretation 11 shall be withdrawn on application of Group Cash-settled Share-based Payment Transactions (Amendments to FRS 2).

The directors anticipate that the other FRSs, amendments to FRSs and IC Interpretations relevant to the Group and to the Company will be adopted in the financial year commencing 1 September 2010 and that the adoption of these new/revised FRSs, amendments to FRSs and IC Interpretations will have no material impact on their financial statements except for the following :

FRS 3 Business Combination

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice to measure the non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

FRS 7 Financial Instruments : Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group and for the Company's financial position and performance, the nature and extent of risks arising from financial instruments and the objectives, policies and processes for managing capital.

FRS 101 Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statements of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

FRS 123 Borrowing Costs (Revised)

FRS 123 (Revised) eliminates the option available under the previous version of FRS 123 to recognise all borrowing costs immediately as an expense. The Group and the Company shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

FRS 139 Financial Instruments : Recognition and Measurement

FRS 139 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

Notes To The Financial Statements (Cont'd)

31 August 2010

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

2010	At valuation/cost				Balance at end RM
	Balance at beginning RM	Additions RM	Disposals RM	Written off RM	
At valuation :					
Freehold land	2,174,200	-	-	-	2,174,200
Buildings	4,825,800	-	-	-	4,825,800
At cost :					
Freehold land	134,460	-	-	-	134,460
Buildings	2,134,709	-	-	-	2,134,709
Plant and machinery	8,597,948	149,995	-	(5,940)	8,742,003
Office equipment, furniture and fixtures	2,759,764	94,914	(12,748)	(14,421)	2,827,509
Motor vehicles	5,397,729	-	-	-	5,397,729
	26,024,610	244,909	(12,748)	(20,361)	26,236,410

	Accumulated depreciation				Balance at end RM
	Balance at beginning RM	Current charge RM	Disposals RM	Written off RM	
At valuation :					
Freehold land	-	-	-	-	-
Buildings	1,160,869	96,516	-	-	1,257,385
At cost :					
Freehold land	-	-	-	-	-
Buildings	490,594	39,748	-	-	530,342
Plant and machinery	8,243,879	121,215	-	(2,071)	8,363,023
Office equipment, furniture and fixtures	2,026,083	224,396	(5,316)	(8,331)	2,236,832
Motor vehicles	4,581,504	258,014	-	-	4,839,518
	16,502,929	739,889	(5,316)	(10,402)	17,227,100

	Net carrying amount at end RM
At valuation :	
Freehold land	2,174,200
Buildings	3,568,415
At cost :	
Freehold land	134,460
Buildings	1,604,367
Plant and machinery	378,980
Office equipment, furniture and fixtures	590,677
Motor vehicles	558,211
	9,009,310

Notes To The Financial Statements (Cont'd)

31 August 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

2009	At valuation/cost				
	Balance at beginning RM	Additions RM	Disposals RM	Written off RM	Balance at end RM
At valuation :					
Freehold land	3,043,480	-	(869,280)	-	2,174,200
Buildings	5,106,520	-	(280,720)	-	4,825,800
At cost :					
Freehold land	166,240	-	(31,780)	-	134,460
Buildings	2,134,709	-	-	-	2,134,709
Plant and machinery	8,795,444	95,050	(22,950)	(269,596)	8,597,948
Office equipment, furniture and fixtures	2,898,272	172,986	(37,707)	(273,787)	2,759,764
Motor vehicles	5,382,578	171,658	(156,507)	-	5,397,729
	27,527,243	439,694	(1,398,944)	(543,383)	26,024,610
	----- Accumulated depreciation -----				
	Balance at beginning RM	Current charge RM	Disposals RM	Written off RM	Balance at end RM
At valuation :					
Freehold land	-	-	-	-	-
Buildings	1,136,436	100,730	(76,297)	-	1,160,869
At cost :					
Freehold land	-	-	-	-	-
Buildings	450,846	39,748	-	-	490,594
Plant and machinery	8,430,549	104,475	(22,948)	(268,197)	8,243,879
Office equipment, furniture and fixtures	1,965,868	321,661	(19,090)	(242,356)	2,026,083
Motor vehicles	4,370,673	326,831	(116,000)	-	4,581,504
	16,354,372	893,445	(234,335)	(510,553)	16,502,929
					Net carrying amount at end RM
At valuation :					
Freehold land					2,174,200
Buildings					3,664,931
At cost :					
Freehold land					134,460
Buildings					1,644,115
Plant and machinery					354,069
Office equipment, furniture and fixtures					733,681
Motor vehicles					816,225
					9,521,681

Notes To The Financial Statements (Cont'd)

31 August 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

2010	At cost			Balance at end RM
	Balance at beginning RM	Additions RM	Written off RM	
Furniture and fixtures	73,210	-	(1,600)	71,610

Furniture and fixtures	Accumulated depreciation			Balance at end RM
	Balance at beginning RM	Current charge RM	Written off RM	
Furniture and fixtures	63,905	6,272	(800)	69,377

Furniture and fixtures	Net carrying amount at end RM		
Furniture and fixtures	2,233		

2009	At cost			Balance at end RM
	Balance at beginning RM	Additions RM	Disposals RM	
Furniture and fixtures	75,410	-	(2,200)	73,210

Furniture and fixtures	Accumulated depreciation			Balance at end RM
	Balance at beginning RM	Current charge RM	Disposals RM	
Furniture and fixtures	57,702	7,541	(1,338)	63,905

Furniture and fixtures	Net carrying amount at end RM		
Furniture and fixtures	9,305		

Notes To The Financial Statements (Cont'd)

31 August 2010

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP

- (i) The properties at valuation were revalued on the open market value basis by the directors on 18 September 1997 based on a valuation exercise by an independent firm of professional valuers and as approved by the Securities Commission.

The historical cost of revalued properties are as follows :

	Freehold land RM	Buildings RM
2010		
Cost	600,000	133,863
Accumulated depreciation	-	(53,542)
Net carrying amount	<u>600,000</u>	<u>80,321</u>
2009		
Cost	600,000	133,863
Accumulated depreciation	-	(50,865)
Net carrying amount	<u>600,000</u>	<u>82,998</u>

- (ii) The net carrying amount of motor vehicles acquired under hire purchase loans is **RM402,659** (2009 : RM590,235).
- (iii) The net carrying amount of properties charged to licensed banks as securities for banking facilities granted to certain subsidiaries is **RM7,481,442** (2009 : RM7,617,706).
- (iv) The depreciation charge for the financial year is accounted for as follows :

	2010 RM	2009 RM
Recognised in income statement		
- General and administrative expenses (Note 24)	453,744	617,511
Capitalised in construction contract costs (Note 12)	<u>286,145</u>	<u>275,934</u>
	<u>739,889</u>	<u>893,445</u>

Notes To The Financial Statements (Cont'd)

31 August 2010

4. INVESTMENT PROPERTIES

	At valuation					At cost					Total RM
	Freehold land RM	Long leasehold land RM	Short leasehold land RM	Buildings RM	Freehold office lots and flats RM	Freehold land RM	Long leasehold land RM	Short leasehold land RM	Buildings RM	Freehold commercial lots and shoplots RM	
2010											
At valuation/cost :											
Balance at beginning	1,199,750	105,898	86,129	3,145,822	1,120,000	633,366	84,304	1,080,000	2,325,025	4,595,662	14,375,956
Additions	-	-	-	-	-	14,440	-	-	-	-	14,440
Reclassified from inventories	-	-	-	-	260,000	-	-	-	-	-	260,000
Balance at end	1,199,750	105,898	86,129	3,145,822	1,380,000	647,806	84,304	1,080,000	2,325,025	4,595,662	14,650,396
Accumulated depreciation :											
Balance at beginning	-	-	-	643,397	288,396	-	-	-	151,708	812,436	1,895,937
Current charge	-	6,832	8,075	93,762	27,600	-	1,756	116,757	58,109	91,913	404,804
Balance at end	-	6,832	8,075	737,159	315,996	-	1,756	116,757	209,817	904,349	2,300,741
Accumulated impairment losses :											
Balance at beginning/end	46,648	-	-	86,353	-	18,390	-	-	26,892	234,901	413,184
Net carrying amount	1,153,102	99,066	78,054	2,322,310	1,064,004	629,416	82,548	963,243	2,088,316	3,456,412	11,936,471
Fair value	1,305,000	351,333	165,000	2,242,619	1,280,000	2,401,490	152,517	1,100,000	860,637	4,375,000	14,233,596
2009											
At valuation/cost :											
Balance at beginning	1,199,750	105,898	86,129	3,114,352	1,120,000	454,236	-	1,158,871	1,356,641	4,595,662	13,191,539
Additions	-	-	-	31,470	-	179,130	84,304	-	968,384	-	1,263,288
Disposals	-	-	-	-	-	-	-	(78,871)	-	-	(78,871)
Balance at end	1,199,750	105,898	86,129	3,145,822	1,120,000	633,366	84,304	1,080,000	2,325,025	4,595,662	14,375,956
Accumulated depreciation :											
Balance at beginning	-	-	-	590,763	265,996	-	-	-	102,416	720,524	1,679,699
Current charge	-	-	-	52,634	22,400	-	-	-	49,292	91,912	216,238
Balance at end	-	-	-	643,397	288,396	-	-	-	151,708	812,436	1,895,937
Accumulated impairment losses :											
Balance at beginning/end	46,648	-	-	86,353	-	18,390	-	-	26,892	234,901	413,184
Net carrying amount	1,153,102	105,898	86,129	2,416,072	831,604	614,976	84,304	1,080,000	2,146,425	3,548,325	12,066,835
Fair value	1,194,021	105,898	86,129	2,483,564	896,451	826,414	84,304	1,080,000	2,252,495	3,779,302	12,788,578

Notes To The Financial Statements (Cont'd)

31 August 2010

4. INVESTMENT PROPERTIES (cont'd)

- (i) Long leasehold land refers to land with remaining lease period of more than 50 years while short leasehold land refers to land with remaining lease period of less than 50 years determined as at balance sheet date.
- (ii) Investment properties amounting to **RM9,032,065** (2009 : RM7,852,115) are pledged to a licensed bank as securities for banking facilities granted to certain subsidiaries.
- (iii) The fair value of investment properties as at balance sheet date is derived based on directors' valuation by reference to the existing market condition.
- (iv) The amounts recognised in the income statement are as follows :

	2010 RM	2009 RM
Rental income from investment properties	426,497	439,544
Direct operating expenses arising from investment properties that generated rental income during the year	309,134	303,405
Direct operating expenses arising from investment properties that did not generate rental income during the year	35,605	34,088

- (v) The landed properties at valuation were revalued by independent valuers namely Henry Butcher Malaysia, based on the open market value basis.
- (vi) Freehold land, buildings, and freehold office lots and flats at valuation were revalued on the open market value basis by the directors of a subsidiary on 18 September 1997 based on a valuation exercise by an independent firm of professional valuers and as approved by the Securities Commission. With the adoption of FRS 140 : Investment Property, such properties are now accounted for as investment properties and are stated at their original valuation less accumulated depreciation and accumulated impairment losses.

The historical cost of revalued properties are as follow :

	Freehold land RM	Long leasehold land RM	Short leasehold land RM	Buildings RM	Freehold office lots and flats RM
2010					
At cost	185,613	100,260	46,213	1,422,135	979,785
Accumulated depreciation	-	(20,863)	(12,012)	(609,159)	(450,702)
Accumulated impairment losses	(46,648)	-	-	(86,353)	-
Net carrying amount	138,965	79,397	34,201	726,623	529,083
2009					
At cost	185,613	100,260	46,213	1,422,135	979,785
Accumulated depreciation	-	(18,858)	(11,088)	(580,716)	(431,106)
Accumulated impairment losses	(46,648)	-	-	(86,353)	-
Net carrying amount	138,965	81,402	35,125	755,066	548,679

Notes To The Financial Statements (Cont'd)

31 August 2010

5. INVESTMENT IN SUBSIDIARIES

	2010 RM	2009 RM
Unquoted shares, at cost	77,276,861	77,276,861
Less : Impairment loss		
Balance at beginning	-	1,925,245
Reversal	-	(1,601,535)
Written off	-	(323,710)
Balance at end	-	-
	77,276,861	77,276,861

Details of the subsidiaries, which are all incorporated in Malaysia, are as follows :

Name of Company	Effective Equity Interest		Principal Activities
	2010 %	2009 %	
Direct			
PLB-KH Bina Sdn. Bhd.	100	100	Contracting and construction of industrial, residential and commercial building works, renovation works, and investment and property holdings. During the financial year, the subsidiary commenced an additional activity in property development.
PLB Land Sdn. Bhd.	100	100	Property letting, investment holding and property development.
Dynabricks Sdn. Bhd.	100	100	Dormant.
Gaintrend Sdn. Bhd.	100	100	Building contractor and housing developer.
PLB Ventures Sdn. Bhd.	100	100	Investment holding.
PLB Selasih Property Sdn. Bhd. #	-	100	Dormant.
Indirect – held through PLB-KH Bina Sdn. Bhd.			
Fattigold Sdn. Bhd.	51	51	Property developer.
Vestingold Sdn. Bhd. *	-	100	Housing and property developer. However, the subsidiary did not undertake any development project during the financial year.
PLB Alam Sdn. Bhd.	100	-	Building construction, engineering works and investment holding. However, the subsidiary is presently a dormant company.

Notes To The Financial Statements (Cont'd)

31 August 2010

5. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Effective Equity Interest		Principal Activities
	2010 %	2009 %	
Indirect – held through PLB Land Sdn. Bhd.			
Era Pujaan Sdn. Bhd.	100	100	Property developer. However, the subsidiary did not undertake any development project during the financial year. Instead the subsidiary rented out a portion of the development properties earmarked for development.
Hektar Pujaan Sdn. Bhd.	100	100	Property developer. However, the subsidiary did not undertake any development project during the financial year.
Excelgrand Properties Sdn. Bhd.	100	100	Property developer and sale of red earth.
Indah Mulia Development Sdn. Bhd.	100	100	Property developer. However, the subsidiary has not commenced operations during the financial year.
Pelangi Sehati Development Sdn. Bhd.	100	100	Property developer.
Sebadi Corporation Sdn. Bhd.	100	100	Property developer.
Imbas Kaya Sdn. Bhd.	100	100	Property developer. However, the subsidiary did not undertake any development project during the financial year.
Landsdale Development Sdn. Bhd.	100	100	Property developer.
PLB Leisure Sdn. Bhd.	100	100	Property developer. However, the subsidiary did not undertake any development project during the financial year.
Builtonlands Palm Sdn. Bhd.	100	100	Property developer.
Indirect – held through PLB Ventures Sdn. Bhd.			
PLB Steel Engineering Sdn. Bhd.	100	100	Steel and metal fabrication works and related construction activities. However, the subsidiary did not undertake any development project during the financial year.
PLB Green Construction Sdn. Bhd.	70	70	Contracting and construction of industrial, residential and commercial building works, and renovation works.

2010

On 9 April 2010, the Group through PLB KH-Bina Sdn. Bhd. has acquired 2 ordinary shares of RM1 each in PLB Alam Sdn. Bhd. for a cash consideration of RM2.

The above acquisition did not have a material effect on the financial results and position of the Group for the year ended 31 August 2010.

2009

On 5 May 2009, the Group through PLB Land Sdn. Bhd. acquired an additional 5% equity interest in Builtonlands Palm Sdn. Bhd. for a total cash consideration of RM437,000. The acquisition was accounted for using the acquisition method of accounting.

The above acquisition did not have a material effect on the financial results and position of the Group for the year ended 31 August 2009.

The subsidiary was struck off on 4 May 2010.

* The subsidiary was struck off on 8 June 2010.

Notes To The Financial Statements (Cont'd)

31 August 2010

6. INVESTMENT IN AN ASSOCIATE

	2010 RM	2009 RM
Unquoted shares, at cost	300,000	300,000
Share of post-acquisition reserves	89,058	105,091
	389,058	405,091

Analysed as follows :

Share of net assets	389,058	405,091
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Details of the associate, which is incorporated in Malaysia, are as follows :

Name of Company	Effective Equity Interest		Principal Activities
	2010 %	2009 %	
Indirect – held through PLB Leisure Sdn. Bhd.			
Diligent Success Sdn. Bhd.	50	50	Construction of buildings, repair and upgrading works, and the provision of marketing and consultancy services in relation to construction engineering and related works.

The summarised financial information of the associate is as follows :

	2010 RM	2009 RM
Assets and liabilities		
Non-current assets	-	9,418
Current assets	1,161,684	1,152,478
Total assets	1,161,684	1,161,896
Current liabilities	383,567	334,713
Non-current liabilities	-	17,000
Total liabilities	383,567	351,713
Results		
Revenue	-	716,131
Loss for the year	(32,066)	(111,023)

The above summarised financial information is based on the audited financial statements of the associate for the year ended 31 August 2010.

Notes To The Financial Statements (Cont'd)

31 August 2010

7. INVESTMENT IN A JOINTLY CONTROLLED ENTITY

	2010 RM	2009 RM
Unquoted shares, at cost	500,000	500,000
Share of post-acquisition reserves	15,707,239	10,953,849
	16,207,239	11,453,849
Less : Dividend received	(9,000,000)	-
	7,207,239	11,453,849
Analysed as follows :		
Share of net assets	7,207,239	11,453,849

Details of the jointly controlled entity, which is incorporated in Malaysia, are as follows :

Name of Company	Effective Equity Interest		Principal Activities
	2010 %	2009 %	
Indirect – held through PLB Leisure Sdn. Bhd.			
PLB-Wonder Bay Development Sdn. Bhd.	50	50	Property developer.

The summarised financial information of the jointly controlled entity is as follows :

	2010 RM	2009 RM
Assets and liabilities		
Current assets	16,595,032	35,407,606
Non-current liabilities	-	3,000,000
Current liabilities	2,180,554	9,499,908
Total liabilities	2,180,554	12,499,908
Results		
Income	37,019,739	40,795,881
Expenses (including taxation)	27,512,959	33,308,225

The above summarised financial statement is based on at the audited financial statement of the jointly controlled entity for the year ended 31 August 2010.

Notes To The Financial Statements (Cont'd)

31 August 2010

8. LAND HELD FOR DEVELOPMENT

	2010 RM	2009 RM
Freehold land, at valuation		
Balance at beginning	8,239,875	8,450,875
Additions	261	-
Disposals	(1,238,021)	(211,000)
Balance at end	7,002,115	8,239,875
Freehold land, at cost		
Balance at beginning	17,395,753	8,943,104
Additions	10,190,360	8,795,971
Reclassified to property development costs	(8,591,339)	(162,159)
Reclassified to inventories	-	(181,163)
Balance at end	18,994,774	17,395,753
Long leasehold land, at cost		
Addition/Balance at end	93,928	-
Short leasehold land, at cost		
Addition/Balance at end	2,780,849	-
Property development costs		
Balance at beginning	2,814,564	1,393,410
Additions	509,315	1,485,568
Reclassified to property development costs	(1,324,243)	(64,414)
Balance at end	1,999,636	2,814,564
	30,871,302	28,450,192
Represented by :		
Long leasehold land, at cost	93,928	-
Short leasehold land, at cost	2,780,849	-
Freehold land - at valuation	7,002,115	8,239,875
- at cost	18,994,774	17,395,753
Development costs	1,999,636	2,814,564
	30,871,302	28,450,192

Notes To The Financial Statements (Cont'd)

31 August 2010

8. LAND HELD FOR DEVELOPMENT (cont'd)

Included in the additions of property development costs during the year is the following :

	2010	2009
	RM	RM
Interest expense	72,670	749,064

The freehold land, short leasehold land and long leasehold land with net carrying amount of **RM11,505,013** (2009 : RM23,758,685) are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries.

Long leasehold land refers to land with remaining lease period of more than 50 years while short leasehold land refers to land with remaining lease period of less than 50 years determined as at balance sheet date.

Freehold land at valuation was revalued on the open market value basis by the directors of certain subsidiaries on 18 September 1997 based on a valuation exercise by an independent firm of professional valuers and as approved by the Securities Commission.

As permitted under the transitional provisions of FRS 201 : Property Development Activities, the subsidiaries continue to retain the revalued amount of the land as its surrogate cost.

9. OTHER INVESTMENTS

	2010	2009
	RM	RM
Shares quoted in Malaysia, at cost	6,011,682	5,727,473
Less : Impairment losses		
Balance at beginning	(1,758,170)	(1,465,410)
Current year	-	(292,760)
Balance at end	(1,758,170)	(1,758,170)
	4,253,512	3,969,303
Market value at 31 August	1,426,416	1,556,721

10. INVENTORIES

	2010	2009
	RM	RM
At cost :		
Freehold land	493,400	144,700
Completed development units	4,033,086	2,484,862
Less : Reclassified to investment properties	(260,000)	-
	3,773,086	2,484,862
	4,266,486	2,629,562
At net realisable value :		
Completed development units	5,934,979	8,094,770
	10,201,465	10,724,332

The completed development units with net carrying amount of **RM927,215** (2009 : RM1,660,804) are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries.

Notes To The Financial Statements (Cont'd)

31 August 2010

11. PROPERTY DEVELOPMENT COSTS

	2010 RM	2009 RM
At cost :		
Balance at beginning		
- Leasehold land, at cost	-	4,311,000
- Freehold land, at cost	7,047,132	19,001,837
- Development costs	43,009,499	100,262,823
	50,056,631	123,575,660
Cost incurred during the year		
Freehold land		
- Addition	38,000,000	-
- Reclassified from land held for development	8,591,339	162,159
	46,591,339	162,159
Development costs		
- Additions	27,884,036	31,042,003
- Reclassified from land held for development	1,324,243	64,414
	29,208,279	31,106,417
	125,856,249	154,844,236
Transfer to inventories	(3,590,378)	(10,569,494)
Reversal of completed projects	(55,246,898)	(94,218,111)
Balance at end	67,018,973	50,056,631
Cost recognised in income statement		
Balance at beginning	(26,089,381)	(88,211,575)
Reversal of completed projects	55,246,898	94,218,111
Recognised during the year	(33,811,288)	(32,095,917)
Balance at end	(4,653,771)	(26,089,381)
	62,365,202	23,967,250
Represented by :		
Freehold land	53,091,233	7,047,132
Development costs	13,927,740	43,009,499
Costs recognised in income statement	(4,653,771)	(26,089,381)
	62,365,202	23,967,250

Notes To The Financial Statements (Cont'd)

31 August 2010

11. PROPERTY DEVELOPMENT COSTS (cont'd)

Included in development costs incurred during the year are the following :

	2010	2009
	RM	RM
Interest expense	696,234	106,539
Rental of land and buildings	9,160	7,700
Rental of machinery	-	(211)
Staff costs (Note 24)	-	47,397
	<u> </u>	<u> </u>

The freehold land with net carrying amount of **RM46,591,339** (2009 : RM6,337,735) is pledged to licensed banks as securities for banking facilities granted to certain subsidiaries.

12. GROSS AMOUNT DUE FROM/TO CUSTOMERS ON CONTRACTS

Gross amount due from customers on contracts

	2010	2009
	RM	RM
Construction contract cost incurred to date	326,010,501	286,823,388
Add : Attributable profits	20,979,148	19,775,984
: Reversal of foreseeable loss	3,590	-
Less : Foreseeable loss	-	(58,493)
	<u>346,993,239</u>	<u>306,540,879</u>
Less : Progress billings	<u>(319,927,263)</u>	<u>(282,128,800)</u>
	<u>27,065,976</u>	<u>24,412,079</u>

Gross amount due to customers on contracts

	2010	2009
	RM	RM
Construction contract costs incurred to date	93,594,126	97,736,725
Add : Attributable profits	4,947,706	5,855,850
	<u>98,541,832</u>	<u>103,592,575</u>
Less : Progress billings	<u>(105,604,598)</u>	<u>(111,362,352)</u>
	<u>(7,062,766)</u>	<u>(7,769,777)</u>

Notes To The Financial Statements (Cont'd)

31 August 2010

12. GROSS AMOUNT DUE FROM/TO CUSTOMERS ON CONTRACTS (cont'd)

The costs incurred to date on construction contracts included the following charges made during the year :

	2010	2009
	RM	RM
Depreciation (Note 3)	286,145	275,934
Interest expense	163,166	136,713
Rental of land and buildings	47,050	63,040
Rental of machinery	260,289	1,584,300
Staff costs (Note 24)	2,583,069	3,511,847

13. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Trade receivables (Note 13.1)	22,019,065	25,633,414	-	-
Other receivables, deposits and prepayments (Note 13.2)	14,995,607	16,011,595	11,972	2,002
Amounts due from subsidiaries (Note 13.3)	-	-	46,392,757	45,715,396
	37,014,672	41,645,009	46,404,729	45,717,398

13.1 Trade receivables

	2010	2009
	RM	RM
Trade receivables	24,198,279	27,538,493
Less : Allowance for doubtful debts		
Balance at beginning	1,905,079	798,142
Current year	294,119	1,883,578
Doubtful debts recovered	(19,984)	(19,268)
Written off	-	(757,373)
Balance at end	(2,179,214)	(1,905,079)
	22,019,065	25,633,414

Notes To The Financial Statements (Cont'd)

31 August 2010

13. TRADE AND OTHER RECEIVABLES (cont'd)

13.1 Trade receivables (cont'd)

Included herein are the following :

- (i) Retention sum receivable of **RM8,907,974** (2009 : RM7,988,883).
- (ii) Amount due from the following companies in which a director of the Company has substantial financial interest.

	2010	2009
	RM	RM
PR Builders Sdn. Bhd.	304	304
Talian Selasih Development Sdn. Bhd.	1,705,890	1,705,890
Pulau Reka Sdn. Bhd.	-	7,475
Pembinaan Kasporat - Trinas J.V.	25,385	25,385
	<u>1,731,579</u>	<u>1,739,054</u>

(Refer to Note 31 for related party relationship)

- (iii) An amount of **RM1,895** (2009 : RM Nil) due from Diligent Success Sdn. Bhd., an associate of a subsidiary.

The Group's normal credit terms granted to trade receivables range from **14 to 120 days** (2009 : 14 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

13.2 Other receivables, deposits and prepayments

	GROUP		COMPANY	
	2010	2009	2010	2009
	RM	RM	RM	RM
Other receivables	1,894,489	2,932,814	2	2
Deposits	464,220	405,754	2,000	2,000
Prepayments	12,636,898	12,673,027	9,970	-
	<u>14,995,607</u>	<u>16,011,595</u>	<u>11,972</u>	<u>2,002</u>

Included in the prepayment is an amount of **RM2,550,144** (2009 : RM2,451,144) paid for a project with PR Builders Sdn. Bhd. (refer to Note 31 for related party relationship).

13.3 Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and are repayable on demand.

Notes To The Financial Statements (Cont'd)

31 August 2010

14. FIXED DEPOSITS WITH LICENSED BANKS

	2010 RM	2009 RM
Pledged to licensed banks for bank guarantee facilities granted to :		
- a subsidiary	2,189,964	3,396,142
* - PR Builders Sdn. Bhd.	-	23,154
	2,189,964	3,419,296

* Refer to Note 31 for related party relationship.

The effective interest rates and maturities of fixed deposits at balance sheet date are **2.75%** (2009 : 1.90% to 2.50%) per annum and **1 month** (2009 : 6 to 12 months) respectively.

15. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
HDA	307,769	438,440	-	-
Others	5,548,375	960,541	18,796	279,258
	5,856,144	1,398,981	18,796	279,258

The Housing Development Account (HDA) is maintained in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966. This account which consists of monies received from purchasers, is for the payment of property development costs incurred. The surplus monies, if any, will be released to the Group upon the completion of the property development projects and after all property development costs have been fully settled.

16. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2010	2009	2010 RM	2009 RM
Authorised :				
Balance at beginning/end	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid :				
Balance at beginning/end	91,281,667	91,281,667	91,281,667	91,281,667

Notes To The Financial Statements (Cont'd)

31 August 2010

16. SHARE CAPITAL (cont'd)

The details of options granted under the Company's ESOS to subscribe for ordinary shares and which are outstanding as at 31 August 2010 are as follows :

Option price per share RM	Numbers of options over ordinary shares
1.77	1,840,000
1.69	14,000
1.60	528,000
1.51	3,000
1.23	16,000

The details of warrants issued pursuant to the Company's Deed Poll and which are outstanding as at 31 August 2010 are as follows :

- Warrants over ordinary shares of RM1 each -

Exercise price per warrant RM	Number of warrants outstanding
1.91	20,243,000

The warrants expired on 7 November 2010 and all warrants not exercise by that date become null and void.

17. TREASURY SHARES

This amount represents the acquisition cost of treasury shares.

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 26 January 2010, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of the existing total issued and paid up share capital.

The details of the shares repurchased during the year are as follows :

Month	Price per share			Number of shares	Total consideration RM
	Lowest	Highest	Average		
November 2009	0.99	0.99	0.99	95,000	94,525
February 2010	0.92	1.06	0.99	32,900	34,467
March 2010	0.86	0.90	0.88	7,400	6,455
April 2010	0.90	0.95	0.93	9,000	8,300
August 2010	0.92	0.94	1.86	10,000	9,360
				154,300	153,107
Add : Incidental costs					1,034
					154,141

Notes To The Financial Statements (Cont'd)

31 August 2010

17. TREASURY SHARES (cont'd)

During the financial year, the Company repurchased **154,300** (2009 : 6,552,700) of its issued ordinary shares from the open market at an average price of **RM0.99** (2009 : RM1.09) per share. The total consideration paid for the repurchase including transaction costs was **RM154,141** (2009 : RM7,205,037). The repurchase was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. Treasury share have no rights to voting, dividends and participation in other distribution.

Out of the total **91,281,667** (2009 : 91,281,667) issued and fully paid ordinary shares as at 31 August 2010, **9,124,500** (2009 : 8,970,200) are held as treasury shares by the Company. As at 31 August 2010, the number of outstanding ordinary shares in issue and fully paid is therefore **82,157,167** (2009 : 82,311,467) ordinary shares of RM1 each.

18. RESERVES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Share premium	15,951,063	15,951,063	15,951,063	15,951,063
Retained profits/(Accumulated loss) (Note 18.1)	1,742,491	(1,834,748)	9,569,379	12,198,625
	17,693,554	14,116,315	25,520,442	28,149,688

18.1 Retained profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act, 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances.

Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act, 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act, 2007.

As at balance sheet date, the Company has sufficient credit under the 108 balance and tax exempt income account to frank all of its retained profits if paid out as dividends.

Notes To The Financial Statements (Cont'd)

31 August 2010

19. BORROWINGS

	2010 RM	2009 RM
Non-current liabilities		
Secured :		
Hire purchase payables	319,912	499,027
Term loans	<u>21,945,000</u>	<u>6,800,000</u>
	<u>22,264,912</u>	<u>7,299,027</u>
Current liabilities		
Secured :		
Bank overdrafts	21,412,687	10,735,192
Bankers acceptance	9,550,000	6,734,000
Hire purchase payables	179,115	197,891
Term loans	<u>7,240,400</u>	<u>2,527,811</u>
	38,382,202	20,194,894
Unsecured :		
Bank overdrafts	48,974	769,506
Bankers acceptance	2,110,030	1,890,519
Revolving loan	<u>5,400,000</u>	<u>5,400,000</u>
	<u>45,941,206</u>	<u>28,254,919</u>

The particulars of the term loans are as follows :

	Principal RM	Interest rate %		Repayment
		2010	2009	
(i)	4,500,000	-	6.80	30 equal monthly instalments of RM165,997 each commencing 1 June 2007. This loan was settled during the financial year ended 31 August 2010.
(ii)	6,000,000	-	6.55	30 equal monthly instalments of RM200,000 each commencing 1 March 2008. This loan was settled during the financial year ended 31 August 2010.
(iii)	6,800,000	7.83	7.83	16 quarterly principal instalments of RM425,000 each, the first of which is to commence on the 25 th month from the date of first drawdown or by receipt of the applicable redemption sum of RM400,000 per unit or 50% of the Sale & Purchase price, whichever is earlier.
(iv)	21,600,000	4.80	-	20 equal quarterly instalments of RM1,080,000 each commencing 1 July 2011 or to be repaid upon redemption of individual unit, whichever is earlier.
(v)	1,500,000	6.30	-	20 equal quarterly instalments of RM75,000 each commencing 1 July 2011.

Notes To The Financial Statements (Cont'd)

31 August 2010

19. BORROWINGS (cont'd)

A summary of the effective interest rates and the maturities of the borrowings are as follows :

	Average effective interest rate per annum (%)	Total RM'000	Within one year RM'000	More than one year and less than two years RM'000	More than one year and less than five years RM'000	More than five years RM'000
2010						
Secured :						
Bank overdrafts	4.80 to 8.05	21,413	21,413	-	-	-
Bankers acceptance	3.19 to 4.85	9,550	9,550	-	-	-
Hire purchase payables	2.25 to 3.99	499	179	90	158	72
Term loans	4.80 to 7.83	29,185	7,240	4,620	13,860	3,465
Unsecured :						
Bank overdraft	7.80	49	49	-	-	-
Bankers acceptance	3.05 to 3.68	2,110	2,110	-	-	-
Revolving loan	5.89 to 6.83	5,400	5,400	-	-	-
2009						
Secured :						
Bank overdrafts	5.55 to 7.50	10,735	10,735	-	-	-
Bankers acceptance	3.25 to 3.98	6,734	6,734	-	-	-
Hire purchase payables	2.25 to 3.99	697	198	179	320	-
Term loans	6.55 to 7.83	9,328	2,528	6,800	-	-
Unsecured :						
Bank overdrafts	7.05 to 8.00	770	770	-	-	-
Bankers acceptance	2.25 to 2.26	1,890	1,890	-	-	-
Revolving loan	7.30	5,400	5,400	-	-	-

The borrowings (except for hire purchase payables) are secured by way of :

- (i) Legal charges over certain properties of the subsidiaries,
- (ii) Debenture incorporating a fixed and floating charge over all present and future assets of a subsidiary pertaining to the freehold land and leasehold land,
- (iii) Pledge of certain fixed deposits of a subsidiary,
- (iv) Facility agreement,
- (v) Asset Purchase Agreement,
- (vi) Asset Sales Agreement (ASA),
- (vii) Corporate guarantee of the subsidiaries,
- (viii) Corporate guarantee of the Company, and
- (ix) Joint and several guarantee by certain directors of the Company.

Notes To The Financial Statements (Cont'd)

31 August 2010

20. DEFERRED TAX LIABILITIES

	2010 RM	2009 RM
Revaluation surplus :		
Balance at beginning	1,567,684	1,679,614
Realisation on disposal of properties	-	(74,065)
Transfer to income statement	<u>(37,865)</u>	<u>(37,865)</u>
Balance at end	1,529,819	1,567,684
Others :		
Balance at beginning	(283,558)	(142,154)
Transfer from/(to) income statement	59,298	(169,704)
(Over)/Under provision in prior year	(71,000)	28,300
Balance at end	<u>(295,260)</u>	<u>(283,558)</u>
	<u>1,234,559</u>	<u>1,284,126</u>

Deferred tax liabilities on revaluation surplus are in relation to the difference between the actual depreciation on the revalued properties and equivalent depreciation based on the cost of the properties.

Other deferred tax (assets)/liabilities are represented by temporary differences arising from :

	2010 RM	2009 RM
Excess of capital allowances over depreciation on property, plant and equipment	78,600	114,457
Profit recognition on construction contracts	54,500	643
Tax effect on unrealised profit on construction contracts and property development costs	<u>(428,360)</u>	<u>(398,658)</u>
	<u>(295,260)</u>	<u>(283,558)</u>

Notes To The Financial Statements (Cont'd)

31 August 2010

20. DEFERRED TAX LIABILITIES (cont'd)

The net deferred tax (assets)/liabilities which have not been recognised are represented by temporary differences arising from :

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Excess of capital allowances over depreciation on property, plant and equipment	70,633	106,566	310	1,835
Recognition on construction contracts	650,348	(2,388,261)	-	-
Recognition on property development	(20,305)	(49,533)	-	-
Unabsorbed tax losses	(7,383,518)	(4,899,454)	-	-
Unabsorbed capital allowances	(265,756)	(222,370)	-	-
	(6,948,598)	(7,453,052)	310	1,835

The unabsorbed tax losses and capital allowances are available for set off against future taxable income of the Company and the respective subsidiaries.

21. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade payables (Note 21.1)	9,814,597	13,659,015	-	-
Other payables and accruals (Note 21.2)	22,466,820	17,613,938	1,823,743	238,639
Amounts due to subsidiaries (Note 21.3)	-	-	15,605,763	13,976,677
	32,281,417	31,272,953	17,429,506	14,215,316

21.1 Trade payables

The Group's normal credit terms granted by trade payables range from **14 to 90 days** (2009 : 14 to 90 days).

Notes To The Financial Statements (Cont'd)

31 August 2010

21. TRADE AND OTHER PAYABLES (cont'd)

21.2 Other payables and accruals

GROUP

Included herein is a amount of **RM285,756** (2009 : RM1,002,718) due to Kok Hoon Development Sdn. Bhd. (Refer to Note 31 for related party relationship).

21.3 Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, interest free and are repayable on demand.

22. REVENUE

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Construction contract revenue	53,407,294	65,531,236	-	-
Property development revenue	40,522,324	31,428,319	-	-
Trading sales	4,568,015	11,618,518	-	-
Gross rental income	429,551	442,148	-	-
Management fee income	89,837	2,976	2,513,520	2,775,929
Gross dividend income	80	80	-	-
Interest income	52,793	93,536	-	-
Sales of red earth	460,000	-	-	-
Sales of land	1,940,514	216,000	-	-
	101,470,408	109,332,813	2,513,520	21,775,929

23. COST OF SALES/DIRECT OPERATING COSTS

	2010 RM	2009 RM
Construction contract costs	45,300,050	65,779,265
Property development costs	37,732,369	32,695,565
Trading costs	4,174,189	10,888,695
Rental expenses	471,332	412,385
Management expenses	75,100	12,220
Cost of red earth	8,050	-
Cost of land	1,306,624	211,000
	89,067,714	109,999,130

Notes To The Financial Statements (Cont'd)

31 August 2010

24. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at :

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
After charging :				
Allowance for doubtful debts	294,119	1,883,578	-	-
Audit fee				
- statutory audit				
- current year	74,000	55,600	14,000	12,000
- under provision in prior year	4,600	-	2,000	-
- other services	1,500	1,500	-	-
Bad debts	-	105,556	-	130
* Depreciation	858,548	833,749	6,272	7,541
Directors' remuneration for non-executive directors				
- emoluments	5,500	5,500	5,500	5,500
- fees	60,000	60,000	60,000	60,000
(Reversal of foreseeable loss)/ Foreseeable loss on construction contract project	(3,590)	58,493	-	-
Goodwill on consolidation written off	-	414,949	-	-
Impairment loss on investment in subsidiaries	-	-	-	(1,601,535)
Impairment loss on quoted investments	-	292,760	-	-
Interest expense	1,376,206	1,520,272	-	-
Investment written off	-	-	-	176,290
Inventories written down	-	1,555,129	-	-
Loss on disposal of property, plant and equipment	6,482	8,522	-	-
Property, plant and equipment written off	9,959	32,830	800	862
Rental of land and buildings	31,920	26,224	211,920	213,840
Rental of machinery	4,490	2,105	-	-
** Staff costs	5,488,879	5,535,722	1,763,598	1,878,801

Notes To The Financial Statements (Cont'd)

31 August 2010

24. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
And crediting :				
Doubtful debts recovered	19,984	19,268	-	-
Gain on disposal of investment property	-	110,032	-	-
Gain on disposal of property, plant and equipment	-	5,183,979	-	-
Gross dividend income from investment quoted in Malaysia	80	80	-	-
Interest income	76,293	167,867	-	-
Rental income	397,616	417,768	-	-
	858,548	833,749	6,272	7,541
* Depreciation				
Recognised in income statement				
- Property, plant and equipment (Note 3)	453,744	617,511	6,272	7,541
- Investment properties (Note 4)	404,804	216,238	-	-
	858,548	833,749	6,272	7,541
** Staff costs				
- Salaries, wages, allowance and bonus	7,260,589	8,295,469	1,575,575	1,678,081
- EPF	750,060	740,266	175,094	187,413
- SOCSO	61,299	59,231	12,929	13,307
	8,071,948	9,094,966	1,763,598	1,878,801
Recognised in income statement				
- Construction contract costs	9,913	62,282	-	-
- General and administrative expenses	5,478,966	5,473,440	1,763,598	1,878,801
	5,488,879	5,535,722	1,763,598	1,878,801
Capitalised in construction contract costs (Note 12)	2,583,069	3,511,847	-	-
Capitalised in property development costs (Note 11)	-	47,397	-	-
	8,071,948	9,094,966	1,763,598	1,878,801

Notes To The Financial Statements (Cont'd)

31 August 2010

24. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

Directors' emoluments

Included in the staff costs of the Group and of the Company is the aggregate amount of remuneration received and receivable by directors of the Company and its subsidiaries as shown below :

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive directors of the Company :				
Emoluments				
- Salaries, allowance and bonus	1,241,700	1,242,000	305,700	306,000
- EPF	118,800	118,800	28,800	28,800
	1,360,500	1,360,800	334,500	334,800
Benefits-in-kind	107,596	109,529	65,950	66,680
	1,468,096	1,470,329	400,450	401,480
Executive directors of subsidiaries :				
Emoluments				
- Salaries, allowance and bonus	497,100	528,100	-	-
- EPF	43,614	47,652	-	-
	540,714	575,752	-	-
Benefits-in-kind	33,018	29,104	-	-
	573,732	604,856	-	-
Total executive directors' remuneration	2,041,828	2,075,185	400,450	401,480

Notes To The Financial Statements (Cont'd)

31 August 2010

25. TAXATION

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Malaysian income tax :				
Based on results for the year				
- Current tax	(406,700)	(502,100)	(8,000)	(8,500)
- Deferred tax relating to the origination and reversal of temporary differences	(21,433)	207,569	-	-
	(428,133)	(294,531)	(8,000)	(8,500)
Over/(Under) provision in prior years				
- Current tax	55,184	(206,844)	1,381	25,497
- Deferred tax	71,000	(28,300)	-	-
- Real property gains tax	-	41,930	-	-
	126,184	(193,214)	1,381	25,497
Deferred tax realised on disposal of property	-	74,065	-	-
	(301,949)	(413,680)	(6,619)	16,997

The reconciliation of tax expense of the Group and of the Company are as follows :

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit/(Loss) before taxation	5,000,505	(5,795,615)	(1,698,061)	1,442,309
Less : Share of results of an associate	16,033	55,512	-	-
Share of results of a jointly controlled entity	(4,753,390)	(3,743,828)	-	-
	263,148	(9,483,931)	(1,698,061)	1,442,309
Statutory tax rate of 25%	(65,787)	2,370,983	424,515	(360,577)
Effects of :				
- Income not subject to tax	2,250,157	1,373,167	-	43,951
- Expenses not deductible for tax purposes	(3,154,822)	(2,524,732)	(430,991)	308,126
- Utilisation of unabsorbed tax losses and capital allowances	137,314	147,746	-	-
- Net deferred tax movement not recognised	367,140	(1,699,560)	(1,524)	-
- Annual crystallisation of deferred tax on revaluation surplus	37,865	37,865	-	-
	(428,133)	(294,531)	(8,000)	(8,500)
Over/(Under) provision in prior years	126,184	(193,214)	1,381	25,497
Deferred tax realised on disposal of property	-	74,065	-	-
	(301,949)	(413,680)	(6,619)	16,997

Notes To The Financial Statements (Cont'd)

31 August 2010

25. TAXATION (cont'd)

GROUP

The amount and future availability of unabsorbed reinvestment allowance for which the related tax effects have not been accounted for at balance sheet date is estimated at **RM1,522,000** (2009 : RM1,522,000). This unabsorbed amount is available for set off against future taxable income indefinitely in accordance with the provisions of the Income Tax Act, 1967.

26. EARNINGS/(LOSS) PER SHARE (SEN)

GROUP

Basic earnings/(loss) per share

The basic earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares in issue during the financial year as follow :

	2010	2009
Profit/(Loss) attributable to equity holders of the Company (RM)	<u>4,501,805</u>	<u>(6,063,984)</u>
Weighted average number of ordinary shares of RM1 each in issue excluding treasury shares	<u>82,202,914</u>	<u>85,013,707</u>
Basic earnings/(loss) per share (sen)	<u>5.48</u>	<u>(7.13)</u>

There is no diluted earnings per share as it is assumed that there will not be any conversion of ESOS granted and of the outstanding warrants as the exercise price of these two convertible financial instruments exceeds the average market price of ordinary shares during the financial year.

27. DIVIDEND

	2010 RM	2009 RM
Financial year ended 31 August 2009		
- First and final dividend of 1.50% less 25% tax	924,566	-
Financial year ended 31 August 2008		
- First and final dividend of 1.50% comprising 0.47% tax exempt and 1.03% less 25% tax	-	1,057,245
	<u>924,566</u>	<u>1,057,245</u>

At the forthcoming Annual General Meeting, a first and final dividend of 1.50% less 25% tax amounting to RM924,268 for the financial year ended 31 August 2010 will be proposed for shareholders' approval. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending 31 August 2011.

Notes To The Financial Statements (Cont'd)

31 August 2010

28. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segment. No geographical segment information has been presented as the Group's activities and customers are all based in Malaysia.

Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses and corporate assets and expenses.

Business Segments

The Group comprises the following main business segments :

- | | |
|--------------------------|---|
| (1) Construction | Construction of industrial, residential and commercial building and renovation works. |
| (2) Property development | Housing and property development. |
| (3) Trading | Trading of construction materials. |
| (4) Property letting | Property letting. |
| (5) Investment holding | Investment holding. |

Notes To The Financial Statements (Cont'd)

31 August 2010

28. SEGMENTAL INFORMATION (cont'd)

	Construc- -tion RM'000	Property development RM'000	Trading RM'000	Property letting RM'000	Invest- -ment holding RM'000	Elimination RM'000	Total RM'000
2010							
Revenue from							
External customers	53,407	42,923	4,568	429	143	-	101,470
Inter-segment	19,244	-	11,241	127	4,830	(35,442)	-
Total revenue	<u>72,651</u>	<u>42,923</u>	<u>15,809</u>	<u>556</u>	<u>4,973</u>	<u>(35,442)</u>	<u>101,470</u>
Result							
Segment results	1,770	699	394	369	(1,510)	(119)	1,603
Unallocated income							85
Unallocated expenses							(48)
Profit from operations							1,640
Interest expense							(1,376)
Share of results of an associate	(16)						(16)
Share of results of a jointly controlled entity		4,753					4,753
Profit before taxation							5,001
Taxation							(302)
Profit for the year							<u>4,699</u>
Assets							
Segment assets	55,117	113,239	9,512	10,509	3,290		191,667
Unallocated assets	-	-	-	-	-		1,051
Investment in an associate	-	-	-	-	389		389
Investment in a jointly controlled entity	-	-	-	-	7,207		7,207
Tax recoverable	12	197	-	-	21		230
Fixed deposits with licensed banks	1,880	310	-	-	-		2,190
Cash and bank balances	3,477	2,355	-	2	20		5,856
Total assets	<u>60,486</u>	<u>116,101</u>	<u>9,512</u>	<u>10,511</u>	<u>10,927</u>		<u>208,590</u>
Liabilities							
Segment liabilities	23,354	10,746	2,596	57	1,826		38,579
Unallocated liabilities	-	-	-	-	-		765
Borrowings	22,954	41,367	3,885	-	-		68,206
Provision for taxation	53	3	-	29	-		85
Deferred tax liabilities	602	633	-	-	-		1,235
Total liabilities	<u>46,963</u>	<u>52,749</u>	<u>6,481</u>	<u>86</u>	<u>1,826</u>		<u>108,870</u>
Other information							
Capital expenditure	243	-	-	16	-		259
Depreciation	555	179	-	397	6		1,137
Unallocated depreciation	-	-	-	-	-		8
Non-cash expense/(income) other than depreciation	306	1	-	-	(4,736)		(4,429)

Notes To The Financial Statements (Cont'd)

31 August 2010

28. SEGMENTAL INFORMATION (cont'd)

	Construc- -tion RM'000	Property development RM'000	Trading RM'000	Property letting RM'000	Invest- -ment holding RM'000	Elimination RM'000	Total RM'000
2009							
Revenue from							
External customers	65,531	31,644	11,619	442	97	-	109,333
Inter-segment	15,563	-	11,773	121	5,134	(32,591)	-
Total revenue	81,094	31,644	23,392	563	5,231	(32,591)	109,333
Result							
Segment results	(8,647)	(3,841)	790	299	648	(422)	(11,173)
Unallocated income							5,496
Unallocated expenses							(24)
Loss from operations							(5,701)
Goodwill on consolidation written off							(415)
Impairment loss on quoted investments							(293)
Inventories written down							(1,555)
Interest expense							(1,520)
Share of results of an associate	(56)						(56)
Share of results of a jointly controlled entity		3,744					3,744
Loss before taxation							(5,796)
Taxation							(413)
Loss for the year							(6,209)
Assets							
Segment assets	56,282	74,396	11,336	11,652	11		153,677
Unallocated assets	-	-	-	-	-		1,081
Investment in an associate	-	-	-	-	405		405
Investment in a jointly controlled entity	-	-	-	-	11,454		11,454
Tax recoverable	-	604	-	-	10		614
Fixed deposits with licensed banks	3,419	-	-	-	-		3,419
Cash and bank balances	648	466	-	4	280		1,398
Total assets	60,349	75,466	11,336	11,656	12,160		172,048
Liabilities							
Segment liabilities	28,553	6,682	2,757	47	240		38,279
Unallocated liabilities	-	-	-	-	-		764
Borrowings	21,775	11,516	2,263	-	-		35,554
Provision for taxation	62	-	-	4	-		66
Deferred tax liabilities	576	708	-	-	-		1,284
Total liabilities	50,966	18,906	5,020	51	240		75,947
Other information							
Capital expenditure	1,695	-	-	8	-		1,703
Depreciation	847	6	-	245	8		1,106
Unallocated depreciation	-	-	-	-	-		4
Non-cash expense/(income) other than depreciation	2,058	1,559	-	227	(3,272)		572
Unallocated non-cash income other than depreciation	-	-	-	-	-		(5,202)

Notes To The Financial Statements (Cont'd)

31 August 2010

29. CANCELLABLE OPERATING LEASE COMMITMENTS

	GROUP	
	2010 RM	2009 RM
(i) Future minimum rentals payable :		
Not later than one year	-	2,880
Later than one year and not later than five years	-	5,280
	<u>-</u>	<u>8,160</u>

Operating lease payments represents rentals payable for use of office equipment. Lease is negotiated for a term of five years.

(ii) Future minimum rentals receivable :		
Not later than one year	350,846	350,517
Later than one year and not later than five years	283,568	84,344
	<u>634,414</u>	<u>434,861</u>

Operating lease commitments represents rentals receivable for use of buildings. Leases are negotiated for terms ranging from of one to three years.

30. CONTINGENT LIABILITIES

	GROUP	
	2010 RM	2009 RM
Secured :		
Fixed deposits pledged to a financial institution for bank guarantee facility granted to PR Builders Sdn. Bhd. (refer to Note 31 for related party relationship)	-	23,154

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Unsecured :				
Corporate guarantees issued to financial institutions for banking facilities granted to certain subsidiaries				
- Limit	-	-	151,182,000	125,616,000
- Utilised as at balance sheet date	-	-	81,587,993	53,387,123
Corporate guarantees issued to financial institutions for bank guarantee facilities granted to certain subsidiaries for contract bond in favour of third parties	13,880,901	23,176,025	13,880,901	23,176,025
Corporate guarantees issued to third parties for contract performance bond granted to certain subsidiaries	918,089	1,520,400	918,089	1,520,400

Notes To The Financial Statements (Cont'd)

31 August 2010

31. RELATED PARTY DISCLOSURES

(i) Related party transactions

	GROUP		COMPANY	
	2010 RM	2009 RM	2010 RM	2009 RM
Administrative expenses to subsidiaries	-	-	383,191	499,172
Service charge income from subsidiaries	-	-	-	1,549
Management fee income from subsidiaries	-	-	2,513,520	2,775,929
Rental expense to a subsidiary	-	-	192,000	192,000
Sales of construction materials and services to an associate of a subsidiary				
- Diligent Success Sdn. Bhd.	-	93,408	-	-
Sales of construction materials to a related party				
- Pulau Reka Sdn. Bhd.	-	27,398	-	-
Subcontract fee income from a related party				
- Konsortium Intikhlas Sdn. Bhd.	57,000	-	-	-
Rental income from related parties				
- Numeric Precision Engineering Sdn. Bhd.	14,400	14,400	-	-
- Kok Hoon Development Sdn. Bhd.	3,600	3,600	-	-
Rental expense charged to a related party				
- Oriental Resources Sdn. Bhd.	6,056	109,919	-	-
Purchase of construction materials from related parties				
- Hoon Teik Enterprise Sdn. Bhd.	345,878	257,334	-	-
- Oriental Resources Sdn. Bhd.	-	84,234	-	-
Progress billings from an associate of a subsidiary				
- Diligent Success Sdn. Bhd.	-	306,714	-	-
Utilities charges charged to a related party				
- PR Builders Sdn. Bhd.	-	363	-	-
Purchase of land from a director of the Company				
- Dato' Ong Choo Hoon	3,780,000	-	-	-

Notes To The Financial Statements (Cont'd)

31 August 2010

31. RELATED PARTY DISCLOSURES (cont'd)

Related party	Relationship
PR Builders Sdn. Bhd.	: A company in which Dato' Mohd. Shariff Bin Ibrahim, who is an alternate director of the Company, is a director and has substantial financial interest.
Pulau Reka Sdn. Bhd.	: A company in which Dato' Mohd. Shariff Bin Ibrahim's son and daughter-in-law have substantial financial interest.
Oriental Resources Sdn. Bhd.	: A company in which Dato' Ong Choo Hoon's son-in-law has substantial financial interest.
Kok Hoon Development Sdn. Bhd.	: A company in which Dato' Ong Choo Hoon, who is the Group Executive Chairman of the Company, is a director and has substantial financial interest.
Hoon Teik Enterprise Sdn. Bhd.	: A company in which Dato' Ong Choo Hoon, who is the Group Executive Chairman of the Company, has substantial financial interest, and Mr. Ong Seng Chye who is the Executive Director of the Company is a director.
Numeric Precision Engineering Sdn. Bhd.	: An associate of Leading Builders Sdn. Bhd. which is the ultimate holding company of the Company.
Pembinaan Kasporat - Trinas J.V.	: A joint venture company in which PR Builders Sdn. Bhd. is a partner and Dato' Mohd. Shariff Bin Ibrahim, who is an alternate director of the Company, is a director of PR Builders Sdn. Bhd. and has substantial financial interest.
Talian Selasih Development Sdn. Bhd.	: A company in which Dato' Mohd. Shariff Bin Ibrahim who is an alternate director of the Company is a director and has substantial financial interest.
Konsortium Intikhlas Sdn. Bhd.	: A company in which Dato' Ong Choo Hoon, who is the Group Executive Chairman of the Company, is a director.

(ii) Compensation of key management personnel

The Group and the Company have no other members of key management personnel apart from the Board of Directors which compensation has been shown in Note 24.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

Notes To The Financial Statements (Cont'd)

31 August 2010

32. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate resources are available for the development of the Group's business whilst managing its credit, interest rate and liquidity risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associates to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relate primarily to interest bearing debts. The Group monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favourable rates. The Group does not use derivative financial instruments to hedge interest rate risk.

The information on repricing or maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

Fair values

The carrying amount of financial assets and financial liabilities of the Group and of the Company as at balance sheet date approximate their fair values except for the investment in quoted shares as disclosed in Note 9.

33. LAND HELD FOR SALE

	2010	2009
	RM	RM
Freehold land :		
Balance at beginning	-	259,750
Disposal of land held for sale	-	(259,750)
	<hr/>	<hr/>
Balance at end	<hr/> -	<hr/> -

Notes To The Financial Statements (Cont'd)

31 August 2010

34. GOODWILL ON CONSOLIDATION

	2010	2009
	RM	RM
Arising from the acquisition of additional equity interests in existing subsidiary		
Balance at beginning	-	414,949
Goodwill on consolidation written off	-	(414,949)
	<hr/>	<hr/>
Balance at end	<hr/> - <hr/>	<hr/> - <hr/>

35. SIGNIFICANT AND SUBSEQUENT EVENTS

Significant events

On 29 December 2009, PLB-KH Bina Sdn. Bhd., a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement to purchase lands from a director of the Company, Dato' Ong Choo Hoon for a total cash consideration of RM3,780,000.

On 31 March 2010, PLB Land Sdn. Bhd., a wholly-owned subsidiary of PLB Engineering Berhad had successfully bid for a piece of land in a court sanctioned public auction for a total consideration of RM38,000,000.

Subsequent events

On 19 November 2010, the Company acquired 51 ordinary shares of RM1 each, representing 51% equity interest in QM Power Machinery Sdn. Bhd. for a total cash consideration of RM51.

On 29 November 2010, PLB Land Sdn. Bhd., a wholly-owned subsidiary of PLB Engineering Berhad had acquired 60% equity interest in the issued and paid-up capital of United Empire Development Sdn. Bhd. for a total cash consideration of RM2.

36. MATERIAL LITIGATIONS

The Company and its subsidiaries are involved in the following litigations :

- (i) A customer ("Plaintiff") of a subsidiary had filed an Originating Summon ("OS") in the Penang High Court on 2 September 2009 seeking the determination of the Court and claims against the Company for :
1. Determination :
 - Whether the subsidiary, its directors, or officers or employees or servants or assignees or agents or sub contractors(collectively the "Defendant") are entitled to enter and/or remain on the project site;
 - Whether the defendant is entitled to prevent and/or obstruct the Plaintiff from progressing with the works on the project site including the completion of the remaining construction works on the project site.

Notes To The Financial Statements (Cont'd)

31 August 2010

36 MATERIAL LITIGATIONS (cont'd)

2. Claims against the subsidiary for the following orders :
 - (a) A declaration that the Defendant is not entitled to enter and/or to remain and/or trespass on the project site;
 - (b) A declaration that the Defendant is not entitled to prevent and/or obstruct the Plaintiff from progressing with the works on the project site including the completion of the remaining construction works on the project site;
 - (c) An injunction restraining the Defendant from entering and/or remaining and/or trespassing on the project site;
 - (d) An injunction restraining the Defendant from preventing and/or obstructing the Plaintiff from progressing with the works at the project site including the completion of the remaining construction works on the project site;
 - (e) Cost of application of OS to be paid by the Defendant to the Plaintiff; and
 - (f) Such further or other reliefs as the Honorable Court deems fit and proper.

In the opinion of the subsidiary's solicitors, the declarations prayed for in the OS have been rendered academic as the Plaintiff has requested the Pertubuhan Akitek Malaysia to appoint an arbitrator to arbitrate in respect of the disputes between the parties.

The Company does not expect any loss from this Summon except for nominal legal fees.

As at the date of this report, the case is now fixed for hearing from September to November 2011.

- (ii) The Company had on 6 January 2010 received by hand a copy of the "Amended Statement of Claim" dated 25 November 2009 vide a letter from Messrs Skrine, acting for Hunza Properties (Gurney) Sdn. Bhd. and Hunza Properties & Co. (Penang) Sdn. Bhd. ("the Plaintiffs").

By an irrevocable Letter of Corporate Guarantee between the Plaintiffs and the Company, the Company had guaranteed the sum of 5% of the Contract Sum for the due performance and fulfillment of the Letters of Award and Acceptance between the Plaintiffs and a wholly-owned subsidiary of the Company, PLB-KH Bina Sdn. Bhd. (the "Contract").

The Plaintiffs claim that :

- (a) PKH had failed to proceed regularly and diligently with the works under the Contract and had persistently refused or failed to comply with the written instructions from Architect/Superintending Officer of the Project known as the Proposed Mixed Development on Lots 39, 296, 1237, 1238, 2347, 2348, 2349 & 2350, Section 1, Persiaran Gurney, Bandar Georgetown, D.T.L Pulau Pinang.
- (b) The Company had failed, neglected, omitted, refused and/or defaulted in making the payment of RM1,520,400.00 due under the Corporate Guarantee to the Plaintiffs.

The Plaintiffs claim against the Company :

- (a) The sum of RM1,520,400.00 being the outstanding sum due and owing to the Plaintiffs by the Company under the Corporate Guarantee;
- (b) Costs;
- (c) Interest at the rate of 8% per annum on the sum of RM1,520,400.00 from 9 September 2009 to the date of settlement; and
- (d) Such further or other relief which the Court deems fit and appropriate.

The Company had in its defence contended among other things that Hunza's claim is bad in law as the said corporate guarantee had expired at the time of Hunza's written demand.

On 21 September 2010, Hunza had obtained summary judgment of the said sum against the Company ("Order").

On 22 September 2010, the Company had filed an appeal to the Court of Appeal against the Order and is registered as Civil Appeal No: P-02-(IM)-2829-2010 ("the Appeal"). The Appeal is still pending determination by the Court of Appeal.

In the meantime, on 2 December 2010, the Penang High Court had allowed PLB's application for a stay of execution of the Order pending the outcome of the Appeal.

Group List Of Properties

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
1) <u>PLB-KH BINA SDN BHD</u>							
No.3A-07-01, Wisma Sri Weld, Pengkalan Weld, 10300 Penang	Office Lot/Rented	1/7/1996	Freehold	2,106 sq.ft.	419,115.85	36.5	13.5
No.3A-07-04, Wisma Sri Weld, Pengkalan Weld, 10300 Penang	Office Lot/Rented	1/7/1996	Freehold	1,673 sq.ft.	324,635.29	36.5	13.5
Flat unit known as Parcel No.5, 4th Floor erected on part of the land known as Grant No.33173, Lot 4640, Mukim 1, Province Wellesley, Central Penang. (4-05, Jalan Kurau, Taman Chai Leng 13700 Perai, Penang)	Flat/Hostel	1/7/1996	Freehold	678 sq.ft.	65,453.17	36.5	13.5
Parcel unit No.12, 1st Floor, Jalan Sempilai, Wisma Sempilai Jaya, 13700 Perai, Penang.	Office/Rented	26/10/1995	Freehold	1,778 sq.ft.	164,172.00	37	13
Grant (First Grade) No. Lot No. 1044, Section 4, Town of Butterworth, Province Wellesley, North Penang. (No.2, Jalan Telekom, 12000 Butterworth, Penang)	5-Storey Building/ Partially Rented	1/7/1996	Freehold	4,199 sq.ft./ 16,558 sq.ft.	2,712,985.00	36.5	13.5
H.S. (D) No.84 P.T. No PTB/A/076 Section 4, Town of Butterworth, Province Wellesley, North Penang (No.35 Tingkat Limbungan 1, Off Jalan Chain Ferry, 12100 Butterworth, Penang)	2-Storey Building/ Rented	1/7/1996	Freehold	1,690 sq.ft./ 3,000 sq.ft.	289,453.20	36.5	13.5
Suite No.1102, Tower No. Block B, Wisma Pantai, Plaza Pantai, Kuala Lumpur. (Suite B-11-1, Wisma Pantai, No.5, Jalan 4/83A Off Jalan Pantai Bahru 59200 Kuala Lumpur)	Office Lot/Rented	7/5/1996	Freehold	1,470 sq.ft.	459,009.95	39	11
H.S. (M) 211/1982, Plot No.30, Mukim of Sungai Pasir, District of Kuala Muda, Kedah.	Industrial land/ Vacant	16/4/2001	Leasehold land for 60years expiry on 30.07.2043	174,246 sq. ft.	963,243.24	33	27
64, Jalan Seroja 1/2, Persiaran Amanjaya 2, 08000 Amanjaya, Kedah.	Shop office/Rented	24/11/1998	Freehold	1,400 sq. ft/ 2,800 sq. ft	156,287.26	40	10
6-02, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	64,000.00	40	10
9-03, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	66,400.00	40	10

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
9-04, Block C. Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600 Perai, Penang.	Apartment/Rented	3/9/1999	Freehold	689 sq. ft	66,400.00	40	10
A-G-03, Blk A, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600, Lot 950 & 380, Mukim 6, S.P.T, Penang	Shoplot/Vacant	21/6/2002	Freehold	473 sq. ft	85,000.00	41	9
A-G-04, Blk A, Lorong Perusahaan Baru 2E, Taman Perai Indah, 13600, Lot 950 & 380, Mukim 6, S.P.T, Penang	Shoplot/Vacant	21/6/2002	Freehold	473 sq. ft	85,000.00	41	9
Parcel 12, GF, Low Cost Shoplot (Katsura), Geran 35138, Lot 2205, Mukim 5, SPU. Penang (Address : G-12-A, Jalan Sintuk 1, Taman Permatang Sintuk, 13100 Penaga, Penang.)	Shoplot/Vacant	21/6/2005	Freehold	1,162.08 sq ft	150,000.00	44	6
Parcel 13, GF, Low Cost Shoplot (Katsura), Geran 35138, Lot 2205, Mukim 5, SPU. Penang (Address : G-12A-A, Jalan Sintuk 1, Taman Permatang Sintuk, 13100 Penaga, Penang.)	Shoplot/Vacant	21/6/2005	Freehold	1,162.08 sq ft	150,000.00	44	6
No. Shop 5, LG-Block A, GM550, Lot No. 18 in Mukim 13, North East District, Penang. (Add: No 9A-G-5, Taman Sri Idaman, Lorong Semarak Api 3, 11500 Pulau Pinang)	Shoplot/Rented	2/7/2004	Freehold	45.56 sq. meter	122,500.01	43	7
No. Shop 6, LG-Block A, GM550, Lot No. 18 in Mukim 13, North East District, Penang. (Add: No 9A-G-6, Taman Sri Idaman, Lorong Semarak Api 3, 11500 Pulau Pinang)	Shoplot/Rented	2/7/2004	Freehold	45.56 sq. meter	132,300.00	43	7
Geran Mukim No. Hakmilik 2789 Lot No. 10486, Mukim 13, Tempat Pantai Jerjak, . Daerah Timur Laut, Negeri Pulau Pinang. (Address: No. 36, Lintang Pantai Jerejak 3, Taman Jerejak Indah, 11700 Gelugor, Penang.)	Double Storey Semi-Detached House/Land	7/10/2008	Freehold	208 sq. meter/ 175 sq. meter	897,136.38	48	2
Lot PT666, Taman Sungai Kob, Mukim Karangan, Daerah Kulim, Negeri Kedah under H.S.(M) 231/1993	Land (For Bungalow Lot)	1/7/2009	Freehold	318sq. Meter	10.00	-	2
GM 13921 Lot 3176 Seksyen 39, Bandar Kulim, District of Kulim, Kedah.	Development Land	26/10/2009	Freehold	5.963 hectares	3,034,004.86	-	1

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
Lot 252, 253, 1962 and 2029, GM Nns. 188, 614, 784 and 1108 Respectively, Mukim 16, District of . Seberang Perai Tengah and State of Penang	Development Land	29/12/2009	Freehold	46,030.9245 sq. meter	3,918,097.77	-	1
GM2029 Lot 8272, Mukim 11, Seberang Perai Tengah, Penang	Development Land	3/3/2010	Freehold	12,206 sq. meter	3,238,257.48	-	1
2) <u>DYNABRICKS SDN BHD</u>							
Lot No. 1283 Mukim 3, Province Wellesley, North Penang.	Agricultural Land/ Sand Mining	1/7/1996	Leasehold land for 74 years expiry on 31.12.2039	2.19 acres	78,054.37	29	45
3) <u>PLB LAND SDN BHD</u>							
H.S. (D) No.169 P.T. No PTBM/C.005 Mukim 1, Province Wellesley, Central Penang (No. 1320, Jalan Baru, Chai Leng Park, 13700 Prai, Penang.)	5-storey building/ PLB's Corporate Office	1/7/1996	Freehold	7,541 sq.ft./ 33,378 sq.ft.	2,174,200.00 4,972,820.32	37	13
Lot No.1594, Section 2, Town of Tanjung Tokong, North East District, Penang. No.12372 P2-02-27 (98-1-27, Prima Tanjung, Jalan Fettes, Bandar Tanjung Tokong 11200 Penang)	2nd levels of a 4-storey building/ Rented	7/1/2000	Freehold	1,283 sq.ft.	349,888.30	40	10
Lot No.1594, Section 2, Town of Tanjung Tokong, North East District, Penang. No.12372 P2-01-15,P2-02-15,P2-03-15,P2-04-15 & P2-05-15 (98-G-15, 98-1-15, 98-2-15, 98-3-15, 98-3A-15 Prima Tanjung, Jalan Fettes, Bandar Tanjung Tokong 11200 Penang)	Entire 5-storey office building/ Rented	25/5/2000	Freehold	9,561 sq.ft.	2,286,539.00	40	10
Lot 4537, Taman Mengkudu Juru, 14000 Bukit Mertajam	Development Stock/Vacant Land	22/11/2005	Freehold	1,377.28 sq ft	45,711.29	-	5
Lot 4702, Taman Mengkudu Juru, 14000 Bukit Mertajam	Development Stock/Vacant Land	31/8/2006	Freehold	19,867.264 sq ft	1.00	-	5
Lot 4703, Taman Mengkudu Juru, 14000 Bukit Mertajam	Development Stock/Vacant Land	31/8/2006	Freehold	142,522.656 sq ft	1.00	-	5
HSD11260 PT181, Seksyen 3, Bandar Butterworth, Seberang Perai Utara, Penang	Industrial Land / Vacant	23/3/2010	Leasehold land for 60 years expiring on 01.11.2055	0.9145 hectares	2,811,364.85	45	15
PN3202, Lot 4929, Seksyen 3, Bandar Butterworth, Seberang Perai Utara, Penang	Industrial Land / Vacant	23/3/2010	Leasehold land for 60 years expiring on 08.03.2061	309 sq meter	94,957.42	51	9
Geran 60143, Lot 465, Mukim D, Daerah Barat Daya, Pulau Pinang.	Development Land	31/3/2010	Freehold	49.08 acres	39,240,506.06	-	1

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
5/150 undivided share of Geran Mukim 1037, Lot No. 407, Mukim 12, Bayan Lepas, South West District, Penang	Vacant Land	24/12/2009	Freehold	802.28 Sq ft	14,441.04	-	1
4) <u>PELANGI SEHATI DEVELOPMENT SDN BHD</u>							
Grant (First Grade) No.40157, Lot No.1024, Mukim 15, Seberang Perai Selatan	Development Land/Vacant	6/7/2005	Freehold	19.144 acres	10,198,436.84	-	6
Lot 4032, HSD 33269, Taman Sg Bakap Permai, Mukim 04, S.P.S. Penang	Development Stock/Vacant Land	16/2/2007	Freehold	2,162.76 sq ft	1.00	-	4
5) <u>EXCELGRAND PROPERTIES SDN BHD</u>							
Grant (First Grade) No. 39319 Lot No. 1840, Mukim 13, Province Wellesley, South Penang	Agricultural Land/ Vacant	1/7/1996	Freehold	20.25 acres	2,608,790.20	-	17
Grant No. 104192 Lot No. 6195, Mukim 11, Province Wellesley, South Penang.	Agricultural Land/ Vacant	1/7/1996	Freehold	4.73 acres	344,389.05	-	17
GRN 11981, Lot 319 Seksyen 1, Bandar Jelutong, District Timor Laut, Pulau Pinang	Development Land	15/9/2008	Freehold	3.02483 acres	7,322,930.00	-	2
6) <u>ERA PUJAAAN SDN BHD</u>							
Grant (First Grade) No. 26109, 26128 & 26140, Lot No. 11, 49 & 84, Section 5, Town of Bukit Mertajam, Province Wellesley, Central Penang.	Development Land/ Partially Rented	1/7/1996	Freehold	1.282 acres	2,791,979.18	-	16
7) <u>HEKTAR PUJAAAN SDN BHD</u>							
S.P. 26165 & 26166, Lot Nos. 495 & 496, Mukim of Junjong District of Kulim, Kedah.	Agricultural Land/ Vacant	1/7/1996	Freehold	15.20 acres	859,295.33	-	19
Grant No. 42087, Lot 347, Mukim of Serdang, District of Bandar Bahru, Kedah.	Agricultural Land/ Vacant	17/12/1996	Freehold	5.67 acres	406,726.85	-	15
8) <u>SEBADI CORPORATION SDN. BHD.</u>							
H.S.(M) 528, Plot no 15, Mukim 11, Daerah Barat Daya, Pulau Pinang. (Add: No 30, Tingkat Kampung Bukit 1, Taman Widuri, Jalan Teluk Kumbar, 11920 Bayan Lepas, Pulau Pinang)	Development stock /Vacant land	31/8/2010	Freehold	8,697 sq ft	351,546.58	-	1

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
H.S.(M) 611, Plot no 98, Mukim 11, Daerah Barat Daya, Pulau Pinang. (Add: No 1152, Jalan Teluk Kumbar, Taman Widuri, 11920 Bayan Lepas, Pulau Pinang)	Development stock / Double Storey Shop office	31/8/2010	Freehold	2,250 sq ft/ 4,500 sq ft	1,158,432.45	49	1
9) <u>BUILTONLANDS PALM SDN BHD</u>							
#01-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A1-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,894 sq.ft	183,903.00	93	6
#02-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A2-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	193,003.00	93	6
#03-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A3-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	194,303.00	93	6
#03-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A3-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	198,203.00	93	6
#04-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A4-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	195,603.00	93	6
#05-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A5-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	197,553.00	93	6
#05-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A5-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	200,803.00	93	6
#06-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A6-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	198,853.00	93	6
#08-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A8-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	201,453.00	93	6
#08-05, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A8-05)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	205,353.00	93	6
#09-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A9-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	203,403.00	93	6

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
#10-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A10-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	204,703.00	93	6
#10-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A10-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	207,953.00	93	6
#12-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A12-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	207,303.00	93	6
#12-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A12-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	211,203.00	93	6
#12-05, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A12-05)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	211,203.00	93	6
#13-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A13-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	208,603.00	93	6
#13-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A13-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	212,503.00	93	6
#14-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A14-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	210,553.00	93	6
#14-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A14-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	213,803.00	93	6
#14-05, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A14-05)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	213,803.00	93	6
#15-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A15-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	218,353.00	93	6
#15-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A15-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	215,103.00	93	6
#15-05, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A15-05)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	215,103.00	93	6

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
#16-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A16-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	212,503.00	93	6
#16-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A16-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	216,403.00	93	6
#17-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A17-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	213,153.00	93	6
#18-03, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A18-03)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,981 sq.ft	217,703.00	93	6
#19-01, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type A19-01)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,938 sq.ft	214,453.00	93	6
#02-04, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B2-04)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	154,777.00	93	6
#04-02, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B4-02)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	158,027.00	93	6
#04-04, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B4-04)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	158,027.00	93	6
#09-02, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B9-02)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	159,977.00	93	6
#14-02, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B14-02)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	172,327.00	93	6
#14-04, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B14-04)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	172,327.00	93	6
#16-04, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B16-04)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	174,277.00	93	6
#17-04, Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Type B17-04)	Development stock / Apartment	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	1,539 sq.ft	174,927.00	93	6

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
#G-01 Pangsapuri Seri Palma, Jalan Delima 3/1, Taman Delima, Johor Bahru, 81100 Johor Darul Takzim (Mini Market)	Development stock / Mini Market Space	31/8/2009	Leasehold land for 99 years expiring on 21.7.2103	634.84 sq.ft	107,288.40	93	6
10) <u>INDAH MULIA DEVELOPMENT</u> <u>SDN. BHD.</u>							
(I) Geran Mukim No.G.M.562 and 563, Lot 383 & 384 of Mukim 12, Batu Maung, DBD P.P.	Development Land/Vacant	(I) 21/04/2003	Freehold	(I) 7.762 acres	11,129,659.77	-	5
And (ii) Geran Mukim No.G.M.815, 1/6 of Lot 786, Mukim 12, South West District, P.P.		(ii) 29/05/2004		(ii) 0.052 acres			
And (iii) Geran Mukim No.G.M.815, 5/6 of Lot 786, Mukim 12, South West District, P.P.		(iii) 22/05/2003		(iii) 0.259 acres			
11) <u>LANDSDALE DEVELOPMENT</u> <u>SDN. BHD.</u>							
H.S.(D) 56001, Lot No.Ptd 3060, Mukim 12, Daerah Seberang Perai Tengah, Pulau Pinang.	Development stock /Vacant Land	31/8/2009	Freehold	2,108.96 sq.ft.	12,735.15	-	2
12) <u>GAINTREND SDN BHD</u>							
No. HS (D) 1239, Lot No. 3149, Mukim 13, Daerah S.P.T., Negeri Pulau Pinang. (No. 2, Jalan Industri Beringin, Taman Perindustrian Beringin, 14100 Juru, Penang.)	Double Storey Light Industry Factory/Office, Store and Engineering Works	8/2/1995	Freehold	14,208 sq.ft./ 6,000 sq.ft.	334,421.05	37	13
Pajakan Negeri No. Pendaftaran 1643, No. Lot 002785, Bandar BW, Seksyen 3, Daerah S.P.U. Penang. (No. 40, Lorong Mak Mandin 5/3, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.)	Double Storey Light Industry Factory/Rented	30/10/1998	99 years leasehold land expiry on 03.05.2069	2,250 sq.ft. / 3,150 sq ft	276,793.45	59	40
Pajakan Negeri No. Pendaftaran 1701, No. Lot 002843, Bandar BW, Seksyen 3, Daerah S.P.U. Penang. (No. 48, Lorong Mak Mandin 5/3, Kawasan Perindustrian Mak Mandin, 13400 Butterworth, Penang.)	Double Storey Light Industry Factory/Rented	30/6/1999	99 years leasehold land expiry on 03.05.2069	2,400 sq.ft. / 3,300 sq ft	295,246.30	59	40
No. Lot 10487, Pantai Jerjak, Mukim 13, Daerah Timur Laut, Pualu Pinang (No. 38, Lintang Pantai Jerjak 3, 11700 Gelugor, Penang)	Double Storey Semi-Detached House/Land	22/11/2005	Freehold	2,239 sq.ft./ 1,886 sq.ft.	648,368.12	45	5
No. Lot 10488, Pantai Jerjak, Mukim 13, Daerah Timur Laut, Pualu Pinang (No. 38-A, Lintang Pantai Jerjak 3, 11700 Gelugor, Penang)	Double Storey Semi-Detached House/Land	28/8/2006	Freehold	2,378 sq.ft./ 1,886 sq.ft.	746,535.38	45	5

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
No. Lot 156. (Lot PT 1384, Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang)	Double Storey Terrace Cluster House/Land	30/6/2008	99 years leasehold land expiry on 07.06.2104	1,657 sq. ft/ 1,217 sq. ft	159,527.26	94	5
No. Lot 190. (Lot PT 1384, Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang)	Double Storey Terrace Cluster House/Land	30/6/2008	99 years leasehold land expiry on 07.06.2104	1,151 sq. ft/ 1,217 sq. ft	134,651.75	94	5
H.S.D 21690, Lot No. 4032, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 22, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,173 sq.ft/ 1,600 sq.ft	235,499.70	49	1
H.S.D 21691, Lot No. 4033, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 22A, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,195 sq.ft/ 1,600 sq.ft	237,943.51	49	1
H.S.D 21693, Lot No. 4034, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 26, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,195 sq.ft/ 1,600 sq.ft	237,943.51	49	1
H.S.D 21699, Lot No. 4037, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 32, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,195 sq.ft/ 1,600 sq.ft	237,943.51	49	1
H.S.D 21704, Lot No. 4040, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 38, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,195 sq.ft/ 1,600 sq.ft	237,943.51	49	1
H.S.D 21706, Lot No. 4041, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 40, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,195 sq.ft/ 1,600 sq.ft	237,943.51	49	1
H.S.D 21708, Lot No. 4042, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 42, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	1,195 sq.ft/ 1,600 sq.ft	237,943.51	49	1
H.S.D 21710, Lot No. 4043, Mukim 15, Daerah Seberang Perai Tengah, Pulau Pinang. (No. 42A, Lorong Tempua 1, Taman Tempua, 14100 Simpang Ampat, Pulau Pinang.)	Development Stock/ Double Storey Terrace	31/8/2010	Freehold	2,766 sq.ft/ 1,600 sq.ft	417,237.60	49	1

Group List Of Properties (Cont'd)

At 31 August 2010

REGISTERED OWNER/ LOCATION	Description/ Existing Use	Acquisition/ Revaluation Date	Tenure	Land Area/ Built-up Area	N.B.V. @ 31/08/10 (RM)	Remaining Useful Life (Year)	Age of the Land/ Building (Year)
13) FATTIGOLD SDN BHD							
H.S. (M) 17/1993 P.T. No. 452, No. 14, Lorong Desa Kob 1, Taman Sungai Kob, 09700 Karangan.	Single Storey Shophouse/ Own Office	31/8/1998	Freehold	1,340 sq.ft.	43,324.12	37	13
Lot 1461 & 1462, Mukim 15, Seberang Perai Selatan, GM 28 & 29, Simpang Ampat, Pulau Pinang.	Development Land	11/11/1993	Freehold	31,240.69 sq.ft.	43,472.36	-	17
Lot 1 H.S.(M) 1523 P.T.Lot No. 108, Taman Keruing, MK15, Daerah S.P.Selatan, Penang	Development Stock/ 2 1/2 Storey Semi- Detached House	31/8/2008	Freehold	3,423 sq.ft./ 2,108 sq.ft.	234,255.04	47	3
Lot B1 H.S.(M) 1539 P.T.Lot No. 124, Taman Keruing, MK15, Daerah S.P.Selatan, Penang	Development Stock/ Vacant Land (For Bungalow Lot)	28/2/2009	Freehold	6,943 sq. ft	83,403.78	-	2

Shareholdings Statistics

As At 30 November 2010

SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders as at 30 November 2010, the substantial shareholders and their respective shareholdings are as follows :-

Name of Substantial Shareholder	No. of shares beneficially held		% of Shareholding	
	Direct	Indirect	Direct	Indirect
Leading Builders Sdn. Bhd.	44,397,836*	-	54.04*	-
Dato' Ong Choo Hoon	1,888,095	44,397,836#	2.30	54.04#
Dato' Dr. Ong Seng Soon	65,333	44,397,836#	0.08	54.04#

Notes:-

* 25,000,000 shares are held through EB Nominees (Tempatan) Sdn. Bhd.

Deemed interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

DIRECTORS' INTEREST

Based on the Register of Directors' Shareholdings, the Directors and their respective shareholdings as at 30 November 2010 are as follows :-

Name of Directors	No. of shares beneficially held		% of Shareholding	
	Direct	Indirect	Direct	Indirect
Dato' Ong Choo Hoon	1,888,095	44,397,836*	2.30	54.04*
Dato' Dr. Ong Seng Soon	65,333	44,397,836*	0.08	54.04*
Tengku Dato' Naizatun Shima	-	-	-	-
Ong Guat Beng	52,333	-	0.06	-
Ong Seng Chye	52,333	-	0.06	-
Mardzukhi bin Abu Bakar	8,333	-	0.01	-
Dato' Noordin bin Md. Noor	13,333	-	0.02	-
Saw Chin Eng	-	-	-	-
Teoh Siew Tin	-	-	-	-
Dato' Mohd Shariff bin Ibrahim	-	-	-	-

Notes :-

* Deemed interest by virtue of their substantial shareholdings in Leading Builders Sdn. Bhd.

Shareholdings Statistics (Cont'd)

As At 30 November 2010

Authorised Capital	:	RM500,000,000.00
Issued and Fully Paid	:	RM82,157,167.00 (excluding 9,124,500 treasury shares)
Class of Shares	:	Ordinary Shares of RM1.00 each fully paid
No. of Shareholders	:	2,009
Voting Rights	:	On show of hand - One vote per person On a poll - One vote for one ordinary share

Analysis of Shareholdings as at 30 November 2010

Size of Shareholdings	No. of holders	%	No. of shares	%
Less than 100	150	7.46	6,017	0.01
100 – 1,000	405	20.16	363,788	0.44
1,001 – 10,000	1,169	58.19	4,684,413	5.70
10,001 – 100,000	241	12.00	6,698,496	8.15
100,001 – less than 5% of issued shares	41	2.04	27,740,317	33.77
5% and above of issued shares	3	0.15	42,664,136	51.93
Total	2,009	100.00	82,157,167	100.00

Top 30 Shareholders as at 30 November 2010

No.	Name of Shareholders	No. of shares	%
1	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD (PLEGGED SECURITIES ACCOUNT FOR LEADING BUILDERS SENDIRIAN BERHAD)	25,000,000	30.43
2	LEADING BUILDERS SDN. BHD.	9,615,136	11.70
3	LEADING BUILDERS SDN. BHD.	8,049,000	9.80
4	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEGGED SECURITIES ACCOUNT FOR TAN BUN HUI)	3,784,300	4.60
5	A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD (PLEGGED SECURITIES ACCOUNT FOR TEOH JING WOAN)	3,584,900	4.36
6	OSK NOMINEES (TEMPATAN) SDN. BHD. (PLEGGED SECURITIES ACCOUNT FOR TAN YEE HUI)	2,946,600	3.59
7	MAYBAN NOMINEES (TEMPATAN) SDN BHD (PLEGGED SECURITIES ACCOUNT FOR ONG SENG SEONG)	2,347,800	2.86
8	ONG CHOO HOON	1,878,095	2.29
9	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEGGED SECURITIES ACCOUNT FOR TEOH DE GRAND)	1,601,300	1.95
10	MAYBAN NOMINEES (TEMPATAN) SDN BHD (PLEGGED SECURITIES ACCOUNT FOR SIN YONG LEAN)	1,265,000	1.54
11	TAN BUN CHOW	1,077,900	1.31
12	LEADING BUILDERS SDN. BHD.	1,028,300	1.25
13	ZULKHARNAIN BIN ARIFFIN	726,333	0.88

Shareholdings Statistics (Cont'd)

As At 30 November 2010

Top 30 Shareholders as at 30 November 2010 (cont'd)

No.	Name of Shareholders	No. of shares	%
14	LEE SEE SEE	613,100	0.75
15	A.A. ANTHONY NOMINEES (TEMPATAN) SDN BHD (PLEGDED SECURITIES ACCOUNT FOR TEOH SU MONG)	557,900	0.68
16	LEE BEE SEE	484,900	0.59
17	ONG SENG SEONG	422,900	0.52
18	LEADING BUILDERS SDN. BHD.	400,000	0.49
19	TIU JON HUI	382,933	0.47
20	TAN YEE HUI	380,000	0.46
21	LEADING BUILDERS SDN. BHD.	305,400	0.37
22	LIM HUN HOOI	291,967	0.36
23	ONG GUAT EONG	236,667	0.29
24	ONG SENG KIAT	227,334	0.28
25	TAN SIEW HUAT	225,020	0.27
26	ONG GUAT HUNG	221,666	0.27
27	PETER SU HOLDINGS SDN BHD	201,000	0.25
28	TAN SOCK CHIN	200,000	0.24
29	HLB NOMINEES (TEMPATAN) SDN BHD (PLEGDED SECURITIES ACCOUNT FOR NG WENG KEONG)	195,000	0.24
30	YONG LEE SEONG	175,668	0.21

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of the Company will be held at PLB Engineering Berhad, 3rd Floor, Training Room, 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang on Wednesday, 26 January 2011 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 August 2010 together with the Reports of the Directors and Auditors thereon.
 2. To approve the payment of a first and final dividend of 1.50% less Income Tax of 25% for the financial year ended 31 August 2010. **Ordinary Resolution 1**
 3. To approve the payment of Directors' fees of RM60,000 for the financial year ended 31 August 2010. **Ordinary Resolution 2**
 4. To re-elect the following Directors who retire in accordance with Article 81 of the Company's Articles of Association:-
 - (i) Madam Ong Guat Beng; and **Ordinary Resolution 3**
 - (ii) Mr. Saw Chin Eng. **Ordinary Resolution 4**
 5. To re-elect Tengku Naizatul Shima who retire in accordance with Article 88 of the Company's Articles of Association. **Ordinary Resolution 5**
 6. To consider and, if thought fit, to pass the following resolution pursuant to Section 129 of the Companies Act, 1965:-

"That Dato' Ong Choo Hoon, who retires in accordance with Section 129(2) of the Companies Act, 1965, be hereby re-appointed as Director of the Company in accordance with Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting."

Ordinary Resolution 6
 7. To re-appoint Messrs Grant Thornton as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**
- As special business :**
To consider and if thought fit, to pass with or without modifications the following ordinary resolutions:-
8. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 8**
"That pursuant to Section 132D of the Companies Act, 1965, and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at such time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Notice Of Annual General Meeting (Cont'd)

9. **PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Ordinary Resolution 9

"That subject to the Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or subsidiary companies to enter into all arrangements and/or transactions as detailed in Section 2.2 of the Circular to Shareholders of the Company dated 22 December 2010, involving the interests of Directors, major shareholders or persons connected with such Directors or major shareholders of the Company ("Related Parties") as detailed in Section 2.2 of Circular to Shareholders of the Company dated 22 December 2010, provided that such arrangements and/or transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations; and
- (iii) carried out in the ordinary course of business or the normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and not to the detriment of the minority shareholders of the Company.

(the "Proposed Mandate").

That the Proposed Mandate shall take effect from this resolution and shall only continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the listed issuer following the general meeting at which such Proposed Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 [but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965]; or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

And that the Directors of the Company be authorised to complete and do all such acts and things (including all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Mandate."

10. **SPECIAL RESOLUTION :
PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION OF THE COMPANY**

Special Resolution 1

"That the amendments to the Articles of Association of the Company contained in Appendix I be and are hereby approved."

11. To transact any other business of which due notices shall have been given.

By Order of the Board,

Chee Wai Hong (MIA 17181)
Foo Li Ling (MAICSA 7019557)
Company Secretaries

Penang

Date: 22 December 2010

Notice Of Annual General Meeting (Cont'd)

Notes :

1. *A proxy may but need not be a member of the Company and the proxy need not be an advocate or an approved company auditor or a person approved by the Registrar of Companies and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *To be valid this form duly completed must be deposited at the registered office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.*
3. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.*
4. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
5. *If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.*

Explanatory Note on item 8 of the Agenda

Subject to exceptions provided in the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number involved is less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to an amount not exceeding in total 10% of the issue share capital of the Company for the time being, for such purpose as they consider would be in the interest of the Company.

The Company has not issued any new shares pursuant to Section 132D of the Companies Act, 1965 under the general authority which was approved at the Thirteenth AGM held on 26 January 2010 and which will lapse at the conclusion of the Fourteenth AGM to be held on 26 January 2011. A renewal of this authority is being sought at the Fourteenth AGM under proposed Resolution 8.

The renewal mandate if granted will provide flexibility to the Company for the allotment of shares for the purpose of fund raising activities including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

Explanatory Note on item 9 of the Agenda

The proposed resolution in relation to Proposed of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature which is to be reviewed annually will eliminate the requirement for the Company to make regular announcements and convene separate general meetings from time to time in respect of the aforesaid Related Party Transactions.

Explanatory Note on item 10 of the Agenda

The proposed Special Resolution 1, if passed, will give authority for the Company to amend its Articles of Association in order to align with the amendments of the Listing Requirements pursuant to the directive from Bursa Malaysia Securities Berhad on the implementation of payment of electronic cash dividend, for clarification and enhancements and, where relevant, to render consistency throughout the Articles.

Appendix I

SPECIAL RESOLUTION 1 PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

"THAT the following existing Article 143 of the Company's Articles of Association be deleted in its entirety:-

Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the member as appearing in the Register or Records of Depositors. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the Dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.

and substituted with the following new Article 143:-

Article 143

Any dividend, interest or other money payable in cash in respect of shares may be paid by **way of telegraphic transfer or electronic transfer or remittance to such account as designated by such holder or the person entitled to such payment ("eDividend")**, cheque or warrant **or via any other mode or manner as may be prescribed by the Act, Listing Requirements of Bursa Securities and any other relevant authority for the time being in force. In the event that a member has not provided his bank account details to the Depository, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque, bank draft, dividend warrant or postal order (in the case of a cheque, bank draft, dividend warrant or postal order for such payment)** sent through the post directed to the registered address of the member as appearing in the Register or Record of Depositors. Every such cheque or warrant **or telegraphic transfer or electronics transfer or remittance** shall be made payable to the order of the person to whom it is sent, and the payment of any such cheque or warrant **or telegraphic transfer or electronics transfer or remittance** shall operate as a good discharge to the Company in respect of the Dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant **or telegraphic transfer or electronics transfer or remittance** shall be sent at the risk of the person entitled to the money thereby represented. **The Company shall not be responsible for any inaccurate details supplied by the members or any errors, delay or power or electronic failure encountered during or in the course of transmission of data or payment or for any loss of any such eDividend, cheque, bank draft, dividend warrant or postal order (whether in the bank account transfer, post, while being delivered by courier or by hand, after bank account transferring and/or delivering to the relevant address or person or otherwise). No unpaid or unclaimed dividend or interest shall bear interest as against the company.**

Notice Of Dividend Entitlement

NOTICE IS HEREBY GIVEN that a First and Final Dividend of 1.50% less 25% Malaysian Income Tax in respect of the financial year ended 31 August 2010, if approved, will be paid on 18 March 2011 to depositors registered in the Record of Depositors at the close of business on 25 February 2011.

A depositor shall qualify for entitlement to the Dividend only in respect of:

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 25 February 2011 in respect of transfers.
- b. Shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

By Order of the Board,

Chee Wai Hong (MIA 17181)
Foo Li Ling (MAICSA 7019557)
Company Secretaries

Penang

Date : 22 December 2010

Notification on eDividend

22 December 2010

To All Shareholders of PLB Engineering Berhad

Electronic Dividend Payment (eDividend)

The eDividend refers to the payment of cash dividends by a listed issuer directly crediting the shareholders' cash dividend into their respective bank accounts.

We wish to inform that all listed issuers who announce a books closing date for cash dividend entitlements on or after September 1, 2010 are directed to pay the cash dividends via eDividend to shareholders who have provided their bank account information to Bursa Malaysia Depository Sdn Bhd ("BMD"). One of the main objectives of implementing eDividend is to promote greater efficiency of the payment system which is aligned to the national agenda of migrating to electronic payment.

1. Benefits of eDividend

- 1.1 The eDividend extends to all listed issuers and provides, amongst others, faster access to your cash dividends, eliminates the inconvenience of depositing the dividend cheques and problems such as misplaced, lost or expired cheques and unauthorised deposit of dividend cheques.
- 1.2 When you register for eDividend you will enjoy the following additional benefits:
 - (a) The convenience of a one-off registration for entitlement to eDividend from all listed issuers; and
 - (b) The option to consolidate the dividends from all your Central Depository System ("CDS") accounts into one bank account for better account management.

2. Registration for eDividend

- 2.1 Registration for eDividend has commenced on April 19, 2010 for a period of 1 year until April 18, 2011, at no cost to the shareholders. An administrative charge will be imposed for registrations after the 1 year period.

To register for eDividend, you are required to provide to BMD through your stock broker, your bank account number and other information by completing the prescribed form. The prescribed form can be obtained from your stock broker's office where your CDS account is maintained, or downloaded from Bursa Malaysia Berhad ("BURSA")'s website at <http://www.bursamalaysia.com/website/bm/trading/edividend.html>. You may find an eDividend information kit from BURSA's website to facilitate your better understanding with regards to eDividend.

- 2.2 You need to submit to your stock broker's office where your CDS account is maintained, the duly completed prescribed form and the following for registration:
 - (a) Individual depositor: Copy of identification documents i.e. NRIC, Passport, Authority Card or other acceptable identification documents. Original documents must be produced for your stock broker's verification.

Corporate depositor: Certified true copy of the Certificate of Incorporation/Certificate of Registration; and
 - (b) Copy of your bank statement/bank savings book/details of your bank account obtained from your bank's website that has been certified by your bank/copy of letter from your bank confirming your bank account particulars. For individuals, original documents must be produced for your stock broker's verification. For corporate entities, a certified true copy is to be submitted.

If the CDS account is held in the name of a nominee, the nominee will register for the eDividend.

- 2.3 If you are not able to be present at your stock broker's office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents has been witnessed by an acceptable witness specified by BMD. In this regard, an acceptable witness includes an Authorised Officer of your stock broker, a Dealer's Representative, a notary public and an Authorised Officer of the Malaysian Embassy/High Commission.

Notification on eDividend (Cont'd)

3. Notification of eDividend payments after registration

You are encouraged to provide in the prescribed form to BMD both your mobile phone number and e-mail address, if any. This is to enable the Company to issue electronic notification to you either via e-mail or sms, at the discretion of the Company, once the Company has paid the cash dividend out of its account. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax certificate.

4. Additional information for shareholders

4.1 Your savings or current account must be an active bank account maintained with a local bank under your name or, in the case of a joint account, has your name as one of the account holders. It must also be a bank account with a financial institution that is a member of the Malaysian Electronic Payment System Inter-Bank GIRO (IBG) set out below, which can be found on this website: http://www.meps.com.my/faq/interbank_giro.asp?id=2#answer

- Affin Bank Berhad
- Bank Pertanian Malaysia Berhad (Agrobank)
- Alliance Bank Malaysia Berhad
- AmBank (M) Berhad
- Bank Islam Malaysia Berhad
- Bank Muamalat Malaysia Berhad
- Bank Kerjasama Rakyat Malaysia Berhad
- Bank of America
- Bank Simpanan Nasional
- CIMB Bank Berhad
- Citibank Berhad
- Deutsche Bank Berhad
- EON Bank Berhad
- Hong Leong Bank Berhad
- HSBC Bank Malaysia Berhad
- J.P. Morgan Chase Bank Berhad
- Kuwait Finance House (Malaysia) Berhad
- Malayan Banking Berhad
- OCBC Bank (Malaysia) Berhad
- Public Bank Berhad
- RHB Bank Berhad
- Standard Chartered Bank Malaysia Berhad
- The Royal Bank of Scotland Berhad
- United Overseas Bank (Malaysia) Bhd

4.2 Your bank account particulars and other related information is protected under the Securities Industry (Central Depositories) Act 1991 which strictly prohibits the disclosure of such information to any person unless you expressly authorise the disclosure in writing. For eDividend purposes, you will be authorising disclosure of your bank account particulars and other related information to persons necessary to facilitate the eDividend such as the Company, the share registrar and the appointed paying banks.

4.3 Once you have registered for eDividend, any cash dividend entitlement of which the books closure date is announced by the Company on or after September 1, 2010, shall be paid to you via eDividend.

You may find more information pertaining to e-Dividend on the Bursa Malaysia website at http://www.bursamalaysia.com/website/bm/trading/edividend_info_kit.html

We look forward to a successful implementation of eDividend through your active participation, and to serving you better as our valued shareholders. If you have any enquiry relating to eDividend service, please do not hesitate to contact our Share Registrars, Agriteum Share Registration Services Sdn Bhd at 604-2282321.

Thank you.

Yours faithfully

DATO' ONG CHOO HOON
Group Executive Chairman

Proxy Form

* I / We.....
 (Full Name in Block Letters)
 of
 (Address)
 being a * member / members of the abovenamed Company, hereby appoint

 (Full Name in Block Letters)
 of
 (Address)
 or failing him,
 (Full Name in Block Letters)
 of
 (Address)

as * my / our proxy to vote for * me / us on * my / our behalf at the Fourteenth Annual General Meeting of the Company to be held at PLB Engineering Berhad, 3rd Floor, Training Room, 1320, Jalan Baru, Taman Chai Leng, 13700 Prai, Penang on Wednesday, 26 January 2011 at 10.00 a.m. and any adjournment thereof.

No. of Resolution	Resolutions	For	Against
Ordinary Resolution 1	To approve the payment of a first and final dividend of 1.50% less Income Tax of 25% for the financial year ended 31 August 2010.		
Ordinary Resolution 2	To approve the payment of Directors' fees.		
	To re-elect the following Directors retiring under Article 81 of the Articles of Association of the Company:-		
Ordinary Resolution 3	(i) Madam Ong Guat Beng		
Ordinary Resolution 4	(ii) Mr. Saw Chin Eng		
Ordinary Resolution 5	To re-elect Tengku Naizatul Shima who retire in accordance with Article 88 of the Company's Articles of Association.		
Ordinary Resolution 6	To re-appoint Dato' Ong Choo Hoon, who retires in accordance with Section 129(2) of the Companies Act, 1965.		
Ordinary Resolution 7	To re-appoint Messrs Grant Thornton as the company's Auditors.		
As Special Business			
Ordinary Resolution 8	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 9	To approve the Proposed Renewal of and New Shareholders' Mandate.		
Special Resolution 1	To approve the Proposed Amendments to the Company's Articles of Association.		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he thinks fit.

No. of shares held

Signed this day of , 2010/11

.....
 Signature of Member(s)

Notes :

1. A proxy may but need not be a member of the Company and the proxy need not be an advocate or an approved company auditor or a person approved by the Registrar of Companies and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. To be valid this form duly completed must be deposited at the registered office of the Company, 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than forty-eight (48) hours before the time for holding the meeting.
3. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

Please fold across the lines and close

Affix
Postage
Stamp

The Company Secretaries

PLB Engineering Berhad (418224-X)

51-13-A Menara BHL Bank

Jalan Sultan Ahmad Shah

10050 Penang

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PLB ENGINEERING BERHAD (418224-X)

1320, Jalan Baru, Taman Chai Leng,
13700 Prai, Penang, Malaysia.

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Fax : +604-399 8323

Email : info@plbgroup.com.my
Website : www.plb.com.my
www.plbhomes.com.my



PLB-KH Bina Sdn. Bhd.
MS ISO 9001:2008
CERT NO: AR2341



Gaintrend Sdn. Bhd.
MS ISO 9001:2008
CERT NO: AR2730



PLB Green Construction Sdn. Bhd.
MS ISO 9001:2008